

WE AIM FOR **SUSTAINABLE GROWTH**

Protecting what matters.

Letter from the Chairwoman of the Managing Board

**Dear Shareholders,
Ladies and Gentlemen!**

The motto on the title page of this interim report is “We aim for sustainable growth”, something that is especially important to me during the current economic upswing, particularly in Central and Eastern Europe (CEE). Our long-term business strategy is based on leveraging on synergies between markets and lines of business to systematically strengthen our market position, diversify our operating business model and steadily improve efficiency. However, we can achieve long-term growth only if we integrate our regional diversity and local know-how in a sensitive way and modernise and increasingly digitalise Group structures and operational processes over the long term.



In this context, I am very pleased to inform you that our results for the 1st quarter of 2018 clearly show that we are succeeding in our goal of sustainable growth. Our premium volume increased again by 3.9% to EUR 2.8 billion and our profit before taxes by 7.0% to EUR 117.3 million. The sustainable growth path we are following is also reflected in the steady improvement of our combined ratio, which improved to 96.2% in the 1st quarter of 2018, from 96.9% in the same period of the previous year. This brings us another step closer to achieving our target of 95% in 2020.

I am particularly proud of the fact that our large CEE markets – particularly the Czech Republic, Poland and Romania – were the driving engine for growth in premiums and profit before taxes. We initiated a number of pilot projects in these markets to optimise our business model under Agenda 2020 that we plan to apply afterwards systematically and in stages in our other markets.

Other important CEE markets, like Hungary and Bulgaria, achieved high double-digit growth rates in profit before

taxes in the 1st quarter of 2018. Like Poland, Romania and Turkey, Hungary and Bulgaria are also in the group of five key countries where we plan to further expand our health insurance business. Given the current demographic developments in our region, we feel this line of business offers particularly large, sustainable growth opportunities. Finally, I should also mention our expansion of bank sales by merging local composite insurers in our large CEE markets with VIG life insurance companies specialising in bank distribution. This will create sustainable synergies over the long term.

Based on this successful start, we confidently look forward to the remainder of financial year 2018 and I would like to thank our shareholders, business partners, customers and other stakeholders for the trust you have placed in us. Sustainable growth is not just something written on the title page. It is a part of the local day-to-day life of our insurance business in 25 countries.

A handwritten signature in black ink that reads "Stadler".

Elisabeth Stadler

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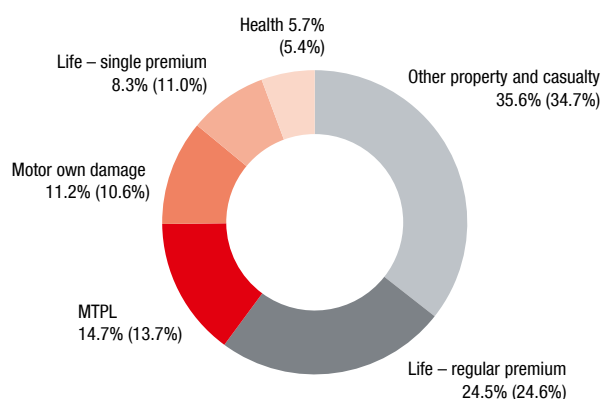
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Interim management report

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

Vienna Insurance Group wrote EUR 2,826.1 million in Group premiums in the 1st quarter of 2018, an increase of 3.9% compared to the same period in the previous year. Excluding single-premium life insurance business, the Group recorded an even larger increase in premiums of 7.1%.

PREMIUMS BY LINE OF BUSINESS IN THE 1ST QUARTER OF 2018



Values for 1st quarter 2017 in parentheses

Expenses for claims and insurance benefits less reinsurers' share were EUR 1,737.6 million in the first three months of 2018, which was close to the level for the same period in the previous year (1st quarter of 2017: EUR 1,741.4 million).

Acquisition and administrative expenses less reinsurance commissions rose by 9.6% year-on-year to EUR 567.8 million (1st quarter of 2017: EUR 518.2 million). This was primarily due to an increase in commissions and generally corresponded to the increase in premiums, not including single-premium products.

The Group result before taxes rose to EUR 117.3 million in the 1st quarter of 2018. This year-on-year increase of 7.0% was primarily due to an improvement in the combined ratio in the Czech Republic, Poland and the Baltic states.

The Group's combined ratio (after reinsurance, not including investment income) improved compared to the previous period to 96.2% (1st quarter of 2017: 96.9%).

VIG in the 1st quarter of 2018

- Premiums increase 3.9% to EUR 2,826.1 million
- Profit before taxes rises to EUR 117.3 million, representing a significant increase of 7.0%
- The combined ratio is an excellent 96.2%

Group investments including cash and cash equivalents were EUR 37.5 billion as of 31 March 2018, which was close to the level of the previous year (31 December 2017: EUR 37.4 billion).

Vienna Insurance Group earned a financial result of EUR 238.4 million in the 1st quarter of 2018. This year-on-year decrease of 3.8% was primarily due to seasonal fluctuations in the area of property maintenance costs.

BUSINESS DEVELOPMENT BY SEGMENT

DEVELOPMENT BY SEGMENT

	Premiums written		Result before taxes	
	1.1.-31.3.2018	1.1.-31.3.2017	1.1.-31.3.2018	1.1.-31.3.2017
<i>in EUR million</i>				
Austria	1,273.0	1,290.7	37.5	37.9
Czech Republic	465.3	427.5	45.7	42.0
Slovakia	216.2	209.9	6.7	11.4
Poland	232.8	213.3	10.2	5.9
Romania	146.6	131.6	4.1	3.2
Baltic states	97.2	76.5	-0.6	-2.4
Hungary	72.2	73.7	1.6	1.1
Bulgaria	45.1	43.5	3.1	2.4
Turkey/Georgia	65.7	67.7	1.8	1.9
Remaining CEE ¹	92.5	89.3	6.2	5.9
Other Markets ²	77.3	68.0	5.0	6.7
Central Functions ³	431.6	393.7	-4.0	-6.1
Consolidation	-389.2	-365.8	0.0	-0.3
Total	2,826.1	2,719.6	117.3	109.6

¹ Remaining CEE: Albania incl. Kosovo, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia, Ukraine

² Other Markets: Germany, Liechtenstein

³ Central Functions include VIG Holding, VIG Re, VIG Fund, the non-profit societies, corporate IT service providers and intermediate holding companies.

Austria

The Austrian Vienna Insurance Group companies recorded premiums written of EUR 1,273.0 million in the first three months of 2018. This year-on-year decline of 1.4% was due to the reduction in single premium life insurance. When adjusted for this, the Austrian Group companies recorded an increase of 1.9%.

The result before taxes for the 1st quarter of the current year was EUR 37.5 million, which was close to the level of the previous year (1st quarter of 2017: EUR 37.9 million).

The combined ratio was a good 95.6% in the first three months of 2018 (1st quarter of 2017: 95.8%).

Czech Republic

The Czech VIG companies wrote EUR 465.3 million in premiums in the 1st quarter of 2018, an increase of 8.8% compared to the same period in the previous year. This increase was mainly due to good performance in other property and casualty insurance and regular premium life insurance.

Profit before taxes was EUR 45.7 million in the 1st quarter of the current year (1st quarter of 2017: EUR 42.0 million). The year-on-year increase of 8.7% was due to an improvement in the combined ratio and an increase in the financial result.

The combined ratio decreased compared to the same period in the previous year to a very good 93,9 % (1st quarter of 2017: 94,9 %).

Slovakia

The Vienna Insurance Group companies in Slovakia wrote EUR 216,2 million in premiums in the 1st quarter of 2018. The year-on-year increase of 3,0 % was primarily due to premium growth in the life insurance lines of business and motor third party liability insurance.

The result before taxes declined to EUR 6,7 million in the 1st quarter of 2018 due to a significant deterioration in the combined ratio and an increase in reserves (1st quarter of 2017: EUR 11,4 million).

The combined ratio was 100.4% in the first three months of 2018 due to an increase in expenses – mainly an increase in net commissions (1st quarter of 2017: 93.6%).

Poland

EUR 232,8 million in premiums were written in Poland in the 1st quarter of 2018, representing a year-on-year increase of 9,1 %. After adjusting for the life insurance lines of business, premiums even grew by 34.5%. The significant increase was mainly due to good performance in the motor lines of business and other property and casualty insurance.

The result before taxes rose to EUR 10.2 million in the first three months of the current year (1st quarter of 2017: EUR 5.9 million). The significant year-on-year increase was primarily due to sustained positive growth in the motor business.

The combined ratio improved to an excellent 94.6% in the 1st quarter of 2018 due to good performance in the motor lines of business (1st quarter of 2017: 96.2%).

Romania

The Romanian VIG companies wrote EUR 146.6 million in premiums in the 1st quarter of 2018, representing an increase of 11.4%. The strong increase was primarily due to strong premium growth in motor third party liability insurance.

The result before taxes increased 27.3% compared to the same period in the previous year to EUR 4.1 million (1st quarter of 2017: EUR 3.2 million) due to a major improvement in performance in the motor lines of business and the inclusion of AXA Life starting in the 3rd quarter of 2017.

The combined ratio improved again compared to the same period in the previous year to 97.7% in the first three months of 2018 (1st quarter of 2017: 98.1%).

Baltic states

The Baltic states consists of the countries of Estonia, Latvia and Lithuania.

The Baltic VIG companies wrote EUR 97,2 million in premiums in the 1st quarter of 2018. This significant increase of 27,0 % was due to generally positive performance for all lines of business in both life and non-life insurance.

The result before taxes improved significantly year-on-year in the Baltic states, although another loss of EUR 0,6 million

was recorded – due to impairment of insurance portfolios and customer bases (1st quarter of 2017: loss of EUR 2,4 million). The positive development is due to an improvement in the combined ratio.

Although the combined ratio improved significantly to 100,8% compared to the same period in the previous year, primarily due to good performance in the motor lines of business, it nevertheless remained above the 100% mark (1st quarter of 2017: 107,7%).

Hungary

Premiums written in Hungary decreased 2.0% in the 1st quarter of 2018 to EUR 72.2 million, mainly as a result of a decline in other property and casualty insurance premiums due to a decrease in large customer business.

Due to better performance in unit-linked and index-linked life insurance and an improvement in the combined ratio, the result before taxes increased to EUR 1.6 million (1st quarter of 2017: EUR 1.1 million). This represented a year-on-year increase of 47.9%.

Due to a improved loss rate, which was mainly the result of run-off profits, the combined ratio decreased to 98.1% compared to the same period in the previous year (1st quarter of 2017: 99.8%).

Bulgaria

EUR 45.1 million in premiums were written in Bulgaria in the 1st quarter 2018. The increase of 3.7% was primarily due to good performance in motor third party liability insurance.

The Bulgarian VIG companies, including the Doverie pension fund, contributed EUR 3,1 million to the group result before taxes in the 1st quarter of 2018. This corresponds to a year-on-year increase of 27,8 %, which was primarily due to lower expenses in the non-underwriting result and an unchanged good result for the Doverie pension fund (1st quarter of 2017: EUR 2,4 million).

Due to an increase in the loss rate – mainly due to an increase in the motor own damage portfolio, which has high loss rates – the combined ratio was 98.2% in the 1st quarter of 2018 (1st quarter of 2017: 97.3%).

Turkey/Georgia

The VIG companies in the Turkey/Georgia segment recorded premiums written of EUR 65.7 million in the 1st quarter of 2018. This year-on-year decline of 3.0% was due to negative currency effects, primarily in Turkey. When adjusted for these effects, however, the Turkey/Georgia segment recorded an increase of 13.5%.

Due to negative exchange rate effects, the result before taxes declined 4.0% to EUR 1.8 million in the 1st quarter of 2018 (1st quarter of 2017: EUR 1.9 million).

Although the combined ratio improved compared to the same period in the previous year to 102.8%, due to higher loss rates, primarily for motor third party liability insurance in Turkey, it nevertheless remained above the 100% mark (1st quarter of 2017: 104.3%).

Remaining CEE

The Remaining CEE segment includes the countries of Albania incl. Kosovo, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia and Ukraine.

The VIG companies in the Remaining CEE countries wrote EUR 92.5 million in premiums in the 1st quarter of 2018. The year-on-year increase of 3.6% was mainly due to positive performance in other property and casualty insurance in Croatia and Serbia and good performance in motor third party liability in Serbia.

The result before taxes rose 5.3% to EUR 6.2 million due to positive performance in Serbia.

The combined ratio improved to 95.5% in the 1st quarter of the current year, primarily due to an increase in reinsurance commissions received from indirect business in Serbia (1st quarter of 2017: 96.7%).

Other Markets

The Other Markets segment includes the countries of Germany and Liechtenstein.

The VIG companies in the Other Markets segment wrote EUR 77.3 million in premiums in the first three months of 2018. The year-on-year increase of 13.7% was due to an increase in single premium life insurance business, primarily in Liechtenstein.

The result before taxes declined to EUR 5.0 million in the 1st quarter of 2018 due to a negative change of 25.2% in the combined ratio.

In spite of higher losses to Storm Friederike, the combined ratio was an excellent 89.3% in the 1st quarter of 2018 (1st quarter of 2017: 80.3%).

Central Functions

Premiums written in the Central Functions segment rose 9.6% in the 1st quarter of 2018 to EUR 431.6 million. This was mainly the result of an increase in internal Group reinsurance premiums received by VIG Holding and an increase in premiums generated by Group company VIG Re entering new reinsurance business areas (Western Europe).

The Central Functions reported a loss of EUR 4.0 million in the first three months of the current year (1st quarter of 2017: loss of EUR 6.1 million).

EMPLOYEES

Vienna Insurance Group had 25,300 employees in the 1st quarter of 2018. This was 241 more than 2017 as a whole. The increase was due to a larger number of field employees in the Czech Republic and an expansion of claims handling in Poland.

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

Further information on business development by balance sheet units is provided in the additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG) starting on page 50.

RELATED PARTY TRANSACTIONS

Information on related party transactions is provided in the notes to the consolidated financial statements on page 48.

RISK REPORT

The Vienna Insurance Group risk environment remained practically unchanged in the 1st quarter of 2018, so that information on the significant business risks to which VIG is exposed can be obtained from the risk reporting in the

Group Annual Report for 2017 and the Solvency and Financial Condition Report (SFCR) for 2017.

The Group's excellent capital adequacy under Solvency II and the A+ rating from Standard & Poor's confirm its high risk-bearing capacity.

The situation in financial markets, in particular changes in the interest rate environment, continue to be monitored closely. Vienna Insurance Group will continue to maintain the conservative, security-oriented investment policy it has used to access financial markets in the past.

Given the effective management of risks based on a conservative business and risk strategy and its strong capital base, VIG feels it is well prepared for the future.

OUTLOOK

Vienna Insurance Group sees growth potential in the bank insurance business and would like to further expand this distribution channel. The main goal was, and continues to be, broadening the range of products offered and optimising the cooperation between banks and insurance companies in all countries where Erste Bank and Sparkassen are working together with VIG. To optimise implementation of the cooperation, a decision was made in 2017 to merge life insurance companies specialising in bank distribution with local composite insurers. Subject to approval by the local authorities, these mergers are expected to be implemented by the beginning of 2019.

The Group will continue to focus on efficiency improvements and making use of synergies, and will work systematically on reducing both losses and expenses with the aim of achieving sustainably a combined ratio of 95%. In life insurance, efforts will also be made to further promote biometric risk coverage and the regular premium business. This is aimed at offsetting the ongoing reduction in the ordinary financial result caused by the low interest rate environment.

The strategic measures and initiatives set by the Agenda 2020 work programme to optimise our business model, organisation and cooperation and ensure future viability will be further promoted and shall thereby further contribute to

the positive development of the Group in the future. Based on this, Vienna Insurance Group plans to generate EUR 9.5 billion in premiums and a profit before taxes of EUR 450 to 470 million in the reporting year 2018.

Based on current conditions and the positive macroeconomic development of the region, Vienna Insurance Group aims to steadily increase premiums to more than EUR 10 billion and achieve a profit before taxes in the range of EUR 500 million to EUR 520 million over the medium term by 2020. This will also benefit shareholders, who can expect to receive stable dividends that increase with corporate earnings based on VIG's established dividend policy.

CURRENT TOPICS

PERSONNEL CHANGES

Changes in the Managing Board

Liane Hirner, an experienced auditor and management consultant, was appointed as a new member of the Managing Board effective 1 February 2018. She follows CFO Martin Simhandl, who will leave the position he has held on the VIG Managing Board for many years on 30 June 2018. In addition, Peter Thirring will move from Donau Versicherung to a position on the Vienna Insurance Group Managing Board on 1 July 2018.

BUSINESS MODEL OPTIMISATION

VIG concludes mergers in Hungary and Slovakia

The Hungarian National Bank approved the merger of the three Vienna Insurance Group companies on 31 March 2018. VIG has therefore been represented in Hungary exclusively by the insurance company Union Biztosító since

1 April 2018. In Slovakia, the bank insurance company Poist'ovňa Slovenskej sporiteľne (PSLSP) was merged with Kooperativa poisťovňa effective 1 April 2018.

ENSURING FUTURE VIABILITY

VIG promotes bank sales

Vienna Insurance Group created a new Bank Cooperation area at the beginning of 2018 to manage the development and implementation of Group-wide strategic initiatives. Harald Londer became head of the department on 1 March 2018.

STRENGTHENING MARKET POSITION

VIG concludes acquisition of Merkur in Bosnia-Herzegovina

The acquisition of 100% of the shares of Merkur Osiguranje d.d. ("Merkur") was concluded on 8 February 2018 with the approval of the local authorities. This adds the life segment to the range of products offered by Vienna Insurance Group in Bosnia-Herzegovina, which was previously heavily dominated by the property and casualty business. Merkur's regional presence in the Federation of Bosnia-Herzegovina is also an important factor in its acquisition.

AWARDS

InterRisk Germany receives awards

FOCUS MONEY magazine has published the latest winners of its 2017 insurance awards and the best insurance brokers. As in the previous year, InterRisk Versicherungs-AG Vienna Insurance Group once again received two 1st prizes. InterRisk was also named "Germany's best insurance company" by the Franke and Bornberg rating agency and Deutsche Institut für Service-Qualität in cooperation with the news network n-tv.

Capital markets & investor relations & share

CAPITAL MARKETS

International overview

Stock markets continued to record broad price gains in the initial weeks of 2018, leading in some cases to new historical highs. Concerns spreading from the US about an increase in inflation triggered a global stock market correction between the end of January and middle of February 2018. Prices moved sideways in the second half of the first quarter, accompanied by a general increase in market tension.

Favourable economic forecasts and robust corporate earnings at the beginning of the year, combined with a positive assessment of the tax reform, were the main drivers of the price gains in the US. Both the US Dow Jones Industrial (DJI) and NASDAQ Composite leading indices recorded several new historical highs, the last on 26 January 2018. Due to unexpectedly high employment figures, investors began worrying about economic overheating – leading to price increases and therefore inevitably to interest rate increases. As a result, a massive price correction took place in the first half of February, although essentially only the large gains achieved in January were lost. After volatile trading in the rest of the quarter – dominated by trade policy disputes and negative news flow about large technology companies – the DJI leading index ended the quarter 2.5% below its value at the end of 2017, while the NASDAQ Composite index closed 2.3% above its end-of-year value.

The pan-European Eurostoxx 50 and Japanese Nikkei 225 indices performed more poorly than the major US indices in the 1st quarter of 2018, recording losses of 4.1% and 5.8%, respectively. One reason for this is that international investors generally prefer the US market during periods of higher stock market volatility. Another reason is that Europe and Japan are net exporters and therefore considered vulnerable in the event of a trade policy dispute with the US. As a result, Germany, a major exporting country, recorded particularly weak performance for its leading index (DAX, -6.4%).

Due to the positive economic development recorded in many emerging markets, growing concerns about rising prices had surprisingly little effect on stock prices in these

countries, so that the MSCI Emerging Markets Index was even able to record a small gain of 11% in the 1st quarter of 2018. Increased investor uncertainty, however, did have an effect on the emerging markets in Central and Eastern Europe. After recording significant gains for a number of quarters, the Eastern European CECE index in EUR recorded a loss of 5.0% in the 1st quarter of 2018.

Vienna Stock Exchange

Although the Vienna Stock Exchange was naturally unable to escape the effects of the difficult market environment in the 1st quarter of 2018, it was one of the few international stock markets to record price gains in the first quarter. The ATX leading index rose 0.2% compared to its 2017 end-of-year value to 3,428.526 points.

This comparatively positive price performance benefited from the positive earnings situation of listed companies and strong overall growth of the Austrian economy, while the discussion of trade policy measures and tariffs only affected a few companies listed on the Vienna Stock Exchange.

INVESTOR RELATIONS

The provisions of MiFID II became applicable for the first time on 3 January 2018. The goals include making market structures more robust and efficient and increasing transparency and investor protection. It is not yet clear what effects MiFID II will have on Investor Relations and investor communications. The current uncertainty concerning corporate access has led to a decrease in the number of investors taking part in conferences organised by the banks. VIG took part in the following events from January to April 2018:

- German Corporate Conference of Kepler Cheuvreux in Frankfurt
- UBS CEEMEA & Italian Financials Conference in Milan
- Baader Bank Austrian Conference in Amsterdam
- Concorde Budapest Investor Meetup 2018 in Budapest
- Kepler Cheuvreux Austrian Equity Day in Paris
- RCB Institutional Investor Conference in Zürs
- Autonomous CEE Financial Conference in London

Traditionally, analysts are an important target group that IR uses in parallel with direct investor communication. With

MiFID II, however, it is clear that the research being prepared is reaching a significantly smaller audience. VIG is currently being covered by 14 analysts. Many adjusted their models and published new reports after the year-end results were published. A summary of analyst assessments showing their “buy”, “sell” or “hold” recommendations and an average target price for VIG shares is regularly updated online at www.vig.com/ir > Share > Analyses.

VIG SHARE PERFORMANCE

VIG shares recorded an excellent start into the year 2018, significantly outperforming both the ATX index and MSCI Europe Insurance Index with a gain of 5.5% in the 1st quarter of 2018. Similar to international markets, a correction occurred after the interim high of EUR 28.740 was reached on 1 February 2018. Although February was highly volatile, VIG shares clearly outperformed the ATX index in this month. VIG share performance approached that of the ATX index in March 2018, but VIG shares closed at a price of 27.180, recording a gain of 5.5% over the quarter to significantly outperform the ATX. VIG share performance was similar to the ATX index up to the editorial deadline, with shares trading in a price range between EUR 26 and EUR 27.

Key share information 1st quarter 2018

High	EUR	28.740
Low	EUR	26.040
End-of-period price	EUR	27.180
Market capitalisation	EUR	3.5 billion
Dividend 2017	EUR	0.90
Average number of shares traded per day*	Shares	~ 83,000

*Using single counting

VIG financial calendar*

Dividend payment day	30 May 2018
Results for the 1 st half of 2018	28 August 2018
Results for the 1 st –3 rd quarter of 2018	28 November 2018

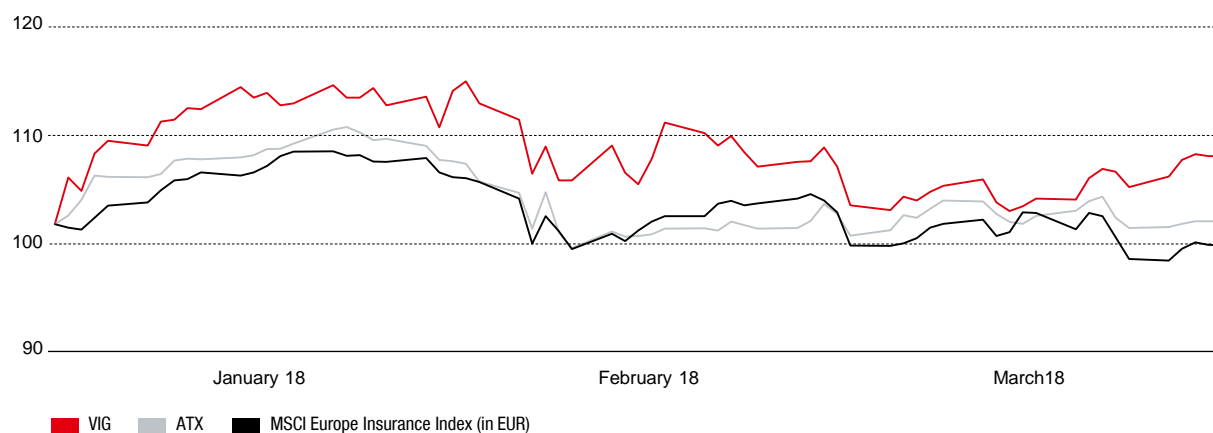
* Preliminary schedule

Overview of VIG shares

Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 million
Free float	around 30%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI EUROPE INSURANCE INDEX (IN EUR) 1 JANUARY 2018 TO 31 MARCH 2018

Indexed (basis = 100)



Consolidated interim financial statements in accordance with IFRS

CONSOLIDATED BALANCE SHEET

Assets	Notes	31.3.2018	31.12.2017
<i>in EUR '000</i>			
Intangible assets	1	1,958,489	1,970,641
Investments	2	35,919,463	35,932,907
Investments for unit-linked and index-linked life insurance		8,948,665	9,061,073
Reinsurers' share in underwriting provisions	3	1,179,856	1,066,320
Receivables	4	1,723,639	1,475,862
Tax receivables and advance payments out of income tax		253,264	239,455
Deferred tax assets		82,958	80,806
Other assets		394,660	389,160
Cash and cash equivalents		1,576,769	1,497,731
Total		52,037,763	51,713,955
Liabilities and shareholders equity	Notes	31.3.2018	31.12.2017
<i>in EUR '000</i>			
Shareholders' equity		6,075,227	6,043,949
Subordinated liabilities		1,458,932	1,458,839
Underwriting provisions	6	30,469,619	30,168,173
Underwriting provisions for unit-linked and index-linked life insurance		8,464,468	8,612,749
Non-underwriting provisions	7	782,069	793,792
Liabilities	8	4,182,186	4,032,102
Tax liabilities out of income tax		215,699	202,050
Deferred tax liabilities		248,308	255,064
Other liabilities		141,255	147,237
Total		52,037,763	51,713,955

The numbers for the individual items in the consolidated balance sheet and consolidated income statement refer to detailed disclosures for these items in the "Notes to the consolidated balance sheet" section in the Notes to the consolidated financial statements starting on page 28.

CONSOLIDATED INCOME STATEMENT

in EUR '000	Notes	1.1.-31.3.2018	1.1.-31.3.2017
Premiums			
Premiums written – gross	9	2,826,075	2,719,571
Premiums written – reinsurers' share		-333,705	-320,699
Premiums written – retention		2,492,370	2,398,872
Change in unearned premiums – gross		-416,431	-370,288
Change in unearned premiums – reinsurers' share		127,114	124,270
Net earned premiums – retention		2,203,053	2,152,854
Financial result excluding at equity consolidated companies	10	228,644	235,905
Income from investments		407,167	391,257
Expenses for investments and interest expenses		-178,523	-155,352
Result from shares in at equity consolidated companies		9,750	11,819
Other income	11	33,157	29,517
Expenses for claims and insurance benefits – retention	12	-1,737,603	-1,741,419
Expenses for claims and insurance benefits – gross		-1,814,405	-1,779,604
Expenses for claims and insurance benefits – reinsurers' share		76,802	38,185
Acquisition and administrative expenses	13	-567,827	-518,229
Acquisition expenses		-504,301	-465,871
Administrative expenses		-105,459	-100,666
Reinsurance commissions		41,933	48,308
Other expenses	14	-51,835	-60,827
Result before taxes		117,339	109,620
Taxes		-26,344	-22,006
Result of the period		90,995	87,614
thereof attributable to Vienna Insurance Group shareholders		75,514	69,052
thereof other non-controlling interests		1,567	-817
thereof non-controlling interests in non-profit societies		13,914	19,379
Result per share (annualised)*	5	2.27	2.07
Result of the period (carryforward)		90,995	87,614

*The calculation of these figures includes the aliquot portion of interest expenses for hybrid capital. The undiluted result equals the diluted result per share (in EUR).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Result of the period (carryforward)	90,995	87,614
Other comprehensive income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods	-1,222	-414
+/- Underwriting gains and losses from provisions for employee benefits	-2,151	-743
+/- Deferred profit participation	550	213
+/- Deferred taxes	379	116
Items that will be reclassified to profit or loss in subsequent periods	-56,243	-16,246
+/- Exchange rate changes through equity	-897	14,233
+/- Unrealised gains and losses from financial instruments available for sale	-254,110	-145,387
+/- Cash flow hedge reserve	159	156
+/- Share of other reserves of associated companies	444	43
+/- Deferred mathematical reserve	68,907	47,350
+/- Deferred profit participation	112,543	57,428
+/- Deferred taxes	16,711	9,931
Total OCI	-57,465	-16,660
Total profit	33,530	70,954
thereof attributable to Vienna Insurance Group shareholders	19,184	52,480
thereof other non-controlling interests	269	-1,192
thereof non-controlling interests in non-profit societies	14,077	19,666

CONSOLIDATED SHAREHOLDERS' EQUITY

Development	Share capital	Capital reserves		Retained earnings	Other reserves		Subtotal*
		Other	payments hybrid capital		Currency reserve	Other	
in EUR '000							
As of 1 January 2017	132,887	2,109,003	193,619	1,929,339	-181,373	380,788	4,564,263
Changes in scope of consolidation/ownership interests	0	0	0	2,502	0	0	2,502
Other comprehensive income	0	0	0	69,052	14,285	-30,857	52,480
Other comprehensive income excluding currency changes	0	0	0	0	0	-30,857	-30,857
Currency change	0	0	0	0	14,285	0	14,285
Result of the period	0	0	0	69,052	0	0	69,052
Dividend payment	0	0	0	0	0	0	0
As of 31 March 2017	132,887	2,109,003	193,619	2,000,893	-167,088	349,931	4,619,245
As of 1 January 2018	132,887	2,109,003	193,619	2,108,029	-121,616	410,089	4,832,011
Changes in scope of consolidation/ownership interests	0	0	0	-4,611	0	0	-4,611
Other comprehensive income	0	0	0	75,514	-933	-55,397	19,184
Other comprehensive income excluding currency changes	0	0	0	0	0	-55,397	-55,397
Currency change	0	0	0	0	-933	0	-933
Result of the period	0	0	0	75,514	0	0	75,514
Dividend payment	0	0	0	0	0	0	0
As of 31 March 2018	132,887	2,109,003	193,619	2,178,932	-122,549	354,692	4,846,584

Development	Subtotal*	Non-controlling interests		Shareholders' equity
		Others	Non-profit societies	
in EUR '000				
As of 1 January 2017	4,564,263	114,219	1,032,775	5,711,257
Changes in scope of consolidation/ownership interests	2,502	-12	504	2,994
Other comprehensive income	52,480	-1,192	19,666	70,954
Other comprehensive income excluding currency changes	-30,857	-322	287	-30,892
Currency change	14,285	-53	0	14,232
Result of the period	69,052	-817	19,379	87,614
Dividend payment	0	-1,409	0	-1,409
As of 31 March 2017	4,619,245	111,606	1,052,945	5,783,796
As of 1 January 2018	4,832,011	115,944	1,095,994	6,043,949
Changes in scope of consolidation/ownership interests	-4,611	4,734	0	123
Other comprehensive income	19,184	269	14,077	33,530
Other comprehensive income excluding currency changes	-55,397	-1,334	163	-56,568
Currency change	-933	36	0	-897
Result of the period	75,514	1,567	13,914	90,995
Dividend payment	0	-2,375	0	-2,375
As of 31 March 2018	4,846,584	118,572	1,110,071	6,075,227

*The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

Composition of dividend payments – retention	31.3.2018	31.12.2017
in EUR '000		
Dividends	0	102,400
Interest payments on the hybrid capital	0	15,841
Deferred taxes shown in equity	0	-3,960
Total	0	114,281

Composition of other reserves

	31.3.2018					Total
	Unrealised gains and losses	Cash flow hedge reserve	Underwriting gains and losses from provisions for employee benefits	Share of other reserves of associated companies	Currency reserve	
in EUR '000						
Gross	2,466,469	-2,333	-289,111	1,051	-123,783	2,052,293
+/- Exchange rate changes from financial instruments available for sale	8,169					8,169
+/- Deferred mathematical reserve	-842,260					-842,260
+/- Deferred profit participation	-981,049	0	87,525	0	0	-893,524
+/- Deferred taxes	-147,211	0	47,084	0	0	-100,127
+/- Other non-controlling interests	-7,843	0	1,489	-31	1,234	-5,151
+/- Non-controlling interests in non-profit societies	0	2,371	10,372	0	0	12,743
Net	496,275	38	-142,641	1,020	-122,549	232,143

Composition of other reserves

	31.12.2017					Total
	Unrealised gains and losses	Cash flow hedge reserve	Underwriting gains and losses from provisions for employee benefits	Share of other reserves of associated companies	Currency reserve	
in EUR '000						
Gross	2,720,471	-2,492	-286,960	607	-122,886	2,308,740
+/- Exchange rate changes from financial instruments available for sale	8,277					8,277
+/- Deferred mathematical reserve	-911,167					-911,167
+/- Deferred profit participation	-1,093,592	0	86,975	0	0	-1,006,617
+/- Deferred taxes	-163,922	0	46,705	0	0	-117,217
+/- Other non-controlling interests	-9,184	0	1,474	-9	1,270	-6,449
+/- Non-controlling interests in non-profit societies	0	2,534	10,372	0	0	12,906
Net	550,883	42	-141,434	598	-121,616	288,473

CONSOLIDATION CASH FLOW STATEMENT

	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Result of the period	90,995	87,614
Change in underwriting provisions net	309,350	439,383
Change in underwriting receivables and liabilities	-239,947	-270,213
Change in deposit receivables and liabilities as well as in reinsurance receivables and liabilities	78,919	87,857
Change in other receivables and liabilities	79,951	86,235
Change in financial instruments recognised at fair value through profit and loss (incl. held for trading)	-5,612	73,023
Gain/loss from disposal of investments	-55,919	-41,639
Depreciation/appreciation of all other investments	43,175	42,043
Change in pension, severance and other personnel provisions	3,595	-1,532
Change in deferred tax asset/liability excl. tax liabilities	8,682	-8,799
Change in other balance sheet items	-26,800	-31,258
Change in goodwill and other intangible assets	23,396	19,259
Other cash-neutral income and expenses and adjustments to the result of the period ¹	33,575	-51,468
Cash flow from operating activities	343,360	430,505
Cash inflow from the sale of available for sale securities	928,933	1,070,820
Payments for the acquisition of available for sale securities	-946,882	-1,209,302
Cash inflow from disposals/repayments of held to maturity securities	10,764	8,343
Payments for the addition of held to maturity securities	-27,685	-34,364
Cash inflow from the sale of land and buildings	16,937	20,167
Payments for the acquisition of land and buildings	-91,975	-54,142
Cash inflow for the sale of intangible assets	426	312
Payments for the acquisition of intangible assets	-11,376	-9,281
Change in unit-linked and index-linked life insurance items	268	7,290
Change in other investments	-104,318	-7,402
Cash flow from investing activities	-224,908	-207,559
Cash outflow from subordinated liabilities	-16,039	-248,445
Dividend payments	-2,375	-1,409
Cash inflow from other financing activities	69,329	2,438
Cash outflow from other financing activities	-89,818	-34,409
Cash flow from financing activities	-38,903	-281,825
Change in cash and cash equivalents	79,549	-58,879
Cash and cash equivalents at beginning of period²	1,497,731	1,589,941
Change in cash and cash equivalents	79,549	-58,879
Effects of foreign currency exchange differences on cash and cash equivalents	-511	-18
Cash and cash equivalents at end of period²	1,576,769	1,531,044
thereof non-profit societies	119,071	142,956

¹ The non-cash income and expenses are primarily due to the results of shares held in at equity companies and exchange rate changes

² The amount of cash and cash equivalents at the beginning and the end of period correlates with position cash and cash equivalents on the asset side and consists of cash on hand and overnight deposits

Additional information on the statement of cash flows	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Received interest ¹	184,075	190,820
Received dividends ¹	26,383	30,321
Interest paid ²	21,336	33,673
Income taxes paid ¹	25,167	19,278

¹ Income tax payments, received dividends and received interest are included in the cash flow from operating activities

² Interest paid result primarily from financing activities.

Reconciliation of liabilities from financing activities

31.3.2018

	Subordinated liabilities (including interests)	Liabilities to financial institutions	Liabilities from public funding	Financing liabilities ¹	Derivative financial instruments ²
in EUR '000					
Book value as of 31.12. of the previous year	1,490,999	1,201,031	100,018	1,480,417	1,166
Cash changes	-16,039	-20,398	841	-5,253	0
Cash inflows	0	57,209	1,505	10,615	0
Payments	0	-75,014	-654	-14,150	0
Interest paid	-16,039	-2,593	-10	-1,718	0
Non-cash changes	15,944	2,929	99	5,504	-1,128
Additions	15,849	2,943	99	6,451	0
Disposals	0	-14	0	-731	-68
Measurement changes	0	0	0	-211	-1,230
Exchange rate differences	95	0	0	-5	170
Book value as of 31.3.	1,490,904	1,183,562	100,958	1,480,668	38

¹ Contains lease liabilities, derivative liabilities from financing liabilities and other financing liabilities

² Only for derivatives from financing activities

Reconciliation of liabilities from financing activities

31.12.2017

	Subordinated liabilities (including interests)	Liabilities to financial institutions	Liabilities from public funding	Financing liabilities ¹	Derivative financial instruments ²
in EUR '000					
Book value as of 31.12. of the previous year	1,265,009	1,304,900	91,049	1,528,828	38
Cash changes	131,660	-113,179	4,274	-23,327	55
Cash inflows	450,000	106,595	7,742	57,808	213
Payments	-257,355	-205,190	-3,418	-64,020	-158
Interest paid	-60,985	-14,584	-50	-17,115	0
Non-cash changes	94,330	9,310	4,695	-25,084	1,073
Additions	59,852	12,352	5,210	17,579	0
Disposals	0	-11	-522	-10,436	0
Change in the scope of consolidation	0	0	0	-14	0
Reclassifications	33,326	341	0	-33,326	0
Measurement changes	0	-3,373	0	1,120	144
Exchange rate differences	1,152	1	7	-7	929
Book value as of 31.12.	1,490,999	1,201,031	100,018	1,480,417	1,166

¹ Contains lease liabilities, derivative liabilities from financing liabilities and other financing liabilities

² Only for derivatives from financing activities

Notes to the consolidated financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated interim financial statements for the 1st quarter of 2018 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the applicable commercial law provisions of § 245a (1) of the Austrian Commercial Code (UGB) and Chapter 7 of the Austrian Insurance Supervision Act (VAG).

They are in compliance with IAS 34 "Interim Financial Reporting". The same IFRS accounting policies were used as for the last financial statements for the previous financial year. Similarly, the estimates and discretionary assessments needed to prepare the consolidated financial statements were made in the same way. This does not include newly applicable or amended standards.

Adoption of new standards and new interpretations

Vienna Insurance Group has applied the IFRS annual improvements (2014–2016 cycle), IFRS 15 "Revenue from contracts with customers", including clarifications, IFRIC 22 "Foreign currency transactions and advance consideration", amendments to IFRS 2 "Clarifications and measurement of share-based payments", amendments to IFRS 4 "Application of IFRS 9 'Financial instruments' in conjunction with IFRS 4 'Insurance contracts'" and amendments to IAS 40 "Classification of property under construction" since 1 January 2018. Application of the amended standards that were relevant for VIG had either no effect, or no material effect on the condensed consolidated interim financial statements.

New standards and amendments to existing reporting standards that have or have not been adopted or have not yet been adopted by the EU

New standards and changes to current reporting standards		Applicable as of
Those already adopted by the EU		
IFRS 16	Leases	1.1.2019
IFRS 9	Financial instruments	1.1.2018*
Changes in IFRS 9	Prepayment features with negative compensation	1.1.2019
Those which are not or not yet adopted by the EU		
IFRS 14	Regulatory Deferral Accounts	EU decided this standard shall not be transferred into EU law
IFRS 17	Insurance contracts	1.1.2021
Changes according IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	postponed
All IFRS	Yearly improvements (cycle 2015–2017)	1.1.2019
IFRIC 23	Uncertainty over income tax treatments	1.1.2019
Changes in IAS 19	Remeasurement due to a plan amendment, curtailment or settlement	1.1.2019
Changes in IAS 28	Clarification for application of impairment requirements to long-term interests	1.1.2019
Changes framework	New sections, such as Status and purpose of the conceptual framework and Presentation and disclosure, as well as addition of the Derecognition section to the Recognition section.	1.1.2020

*The first time adoption for insurance companies can be delayed to 1 January 2021.

VIG is not planning early adoption of the provisions listed in the table.

The new requirements in IFRS 16 primarily concern the accounting presentation of leases by the lessee. The Group does not expect any significant effect on the result before taxes. The effects on the balance sheet of recognising the liability and the right of use are still being examined in a Group-wide project. A reliable estimate of the size of the financial effect is not possible until this analysis has been completed.

IFRS 17 “Insurance contracts”, which was submitted to EFRAG for endorsement, will be applicable retrospectively on 1 January 2021. Although IFRS 17 can be expected to have a material effect on the Group’s financial reporting, the effect cannot currently be quantified due to the high level of complexity.

The amendment to IFRS 9 can be expected to lead to considerably higher volatility of profit for the period. Further amendments which are likely to have greater effects on VIG primarily concern the treatment of interest clauses in debt instruments and the treatment of impairment. It must be noted that there is an amendment to IFRS 4 that allows insurance companies to apply IFRS 9 at the same time as IFRS 17 for insurance contracts after performing a “predominance test”. In this case, the date of first application for IFRS 9 is 1 January 2021 at the latest. VIG has performed the predominance test and the Group satisfies the criteria for deferring application of IFRS 9.

Foreign currency translation

FOREIGN CURRENCY TRANSACTIONS

The separate financial statements of each Group subsidiary are prepared in the currency that generally prevails for the ordinary business activities of the company (functional currency). Transactions not concluded in the functional currency are recognised using the mean rate of exchange on the date of the transaction. Monetary assets and liabilities in foreign currency existing on the balance sheet date are translated to euros using the mean rate of exchange on the balance sheet date. Any resulting foreign currency gains and losses are recognised through profit or loss during the reporting period.

TRANSLATION OF SEPARATE FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

These interim financial statements present assets, liabilities, income and expenses in euros, the reporting currency of VIG. All assets and liabilities reported in the separate financial statements are translated to euros using the mean rate of exchange on the balance sheet date. Items in the income statement are translated using the average month-end mean rate of exchange during the reporting period. In the statement of cash flows, the mean rate of exchange on the balance sheet date is used for changes in balance sheet items, and the mean rate of exchange at the end of the period is used for income statement items. Unless otherwise indicated, all of the financial information presented in euros has been commercially rounded. Currency translation differences, including those that result from accounting using the equity method, are recognised directly in equity.

Name	Currency	Period-end exchange rate		Average exchange rate	
		31.3.2018	31.12.2017	1.1.-31.3.2018	1.1.-31.3.2017
1 EUR ≙					
Albanian lek	ALL	130.4400	132.9500	132.5390	135.8393
Bosnian Convertible Marka	BAM	1.9558	1.9558	1.9558	1.9558
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Georgian lari	GEL	2.9762	3.1044	3.0505	2.7736
Croatian kuna	HRK	7.4323	7.4400	7.4380	7.4668
Macedonian denar	MKD	61.4950	61.4907	61.5580	61.5601
Moldovan leu	MDL	20.2929	20.4099	20.5689	21.2454
Turkish new lira	TRY	4.8976	4.5464	4.6899	3.9378
Polish zloty	PLN	4.2106	4.1770	4.1792	4.3206
Romanian leu	RON	4.6565	4.6585	4.6553	4.5217
Swiss franc	CHF	1.1779	1.1702	1.1653	1.0694
Serbian dinar	RSD	118.3853	118.4727	118.4325	123.8690
Czech koruna	CZK	25.4250	25.5350	25.4024	27.0213
Ukraine hryvnia	UAH	32.7042	33.4954	33.5596	28.8695
Hungarian forint	HUF	312.1300	310.3300	311.0268	309.0949
Belarusian ruble	BYN	2.4032	2.3553	2.4248	2.0382

DISCLOSURES ON SEASONAL AND ECONOMIC INFLUENCES

Within VIG, seasonal fluctuations mainly affect the areas of premiums, losses and the financial result. Due to the large number of insurance contracts beginning in January, the 1st quarter is also normally the strongest quarter of the year in terms of premiums. In terms of losses, the 1st quarter (or 1st half) also normally shows a higher level of charges, mainly due to adverse environmental influences (snow, snowmelt, storms, floods). Adverse weather events, such as storms, can also occur during the summer and autumn. With respect to the financial result, most of the dividend income occurs in the 2nd quarter.

CHANGES IN THE SCOPE OF CONSOLIDATION

Acquired companies are added to the scope of consolidation based on an internal Group guideline. The guideline includes quantitative thresholds and criteria. Detailed information is available in the Group Annual Report for 2017 starting on page 121.

Expansion of the scope of consolidation*	acquisition/formation	Shares	First time consolidation	Method
	Date	in %	Date	
VIG-AT Beteiligungen	2017	100.00	1.1.2018	full consolidation

*Unless indicated otherwise, no goodwill exists.

Companies for which closing took place during the reporting period	Acquired shares
in %	
Merkur Osiguranje	100.00

The company was not yet included in the scope of consolidation in the 1st quarter of 2018, as integration of the company into the Group-wide control system was not yet fully completed.

NON-PROFIT SOCIETIES

Non-profit societies build or renovate housing whose financing largely comes from housing construction subsidies that are provided for by subsidy laws and directives at the provincial level. Housing that is financed by housing construction subsidies is subject to special restrictions set down in the Austrian Non-Profit Housing Act (Wohnungsgemeinnützigkeitsgesetz – WGG) that govern annual distributions and access to the assets of the housing society.

As a result, the total amount of annual profit that can be distributed may not exceed an amount equal to the total paid-in share capital times the interest rate (currently 3.5%) applicable under Section 14 (1) no. 3 WGG. In addition, when members leave a housing society or a housing society is dissolved, the members may not receive more than their paid-in capital contributions and their share of distributable profits. Any remaining assets are to be used for the purposes of non-profit housing. Reorganisation possibilities are also restricted. Merger agreements for merger of a housing society with other companies and spin-offs to other companies are considered legally invalid if the absorbing or newly formed company is not non-profit within the meaning of the WGG. Title to buildings, residential units and business units (co-ownership, condominium ownership) may only be transferred to the tenants or another building society within the meaning of the WGG.

VIG indirectly holds shares in the following consolidated non-profit societies:

- Neuland GmbH
- Sozialbau AG
- Urbanbau GmbH
- Erste Heimstätte GmbH
- Gemeinnützige Industrie-Wohnungsaktiengesellschaft
- Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH
- Schwarzatal GmbH
- Alpenländische Heimstätte GmbH
- Neue Heimat Oberösterreich GmbH

Assets	31.3.2018	thereof non-profit societies	31.12.2017	thereof non-profit societies
in EUR '000				
Intangible assets	1,958,489	1,535	1,970,641	1,592
Investments	35,919,463	3,787,652	35,932,907	3,772,645
Investments for unit-linked and index-linked life insurance	8,948,665	0	9,061,073	0
Reinsurers' share in underwriting provisions	1,179,856	0	1,066,320	0
Receivables	1,723,639	83,101	1,475,862	62,363
Tax receivables and advance payments out of income tax	253,264	6	239,455	6
Deferred tax assets	82,958	224	80,806	228
Other assets	394,660	5,410	389,160	5,570
Cash and cash equivalents	1,576,769	119,071	1,497,731	118,731
Total	52,037,763	3,996,999	51,713,955	3,961,135

*Incl. their subsidiaries

Liabilities and shareholders' equity	31.3.2018	thereof non-profit societies	31.12.2017	thereof non-profit societies
in EUR '000				
Subordinated liabilities	1,458,932	0	1,458,839	0
Underwriting provisions	30,469,619	0	30,168,173	0
Underwriting provisions for unit-linked and index-linked life insurance	8,464,468	0	8,612,749	0
Non-underwriting provisions	782,069	56,186	793,792	58,630
Liabilities	4,182,186	2,659,378	4,032,102	2,638,085
Tax liabilities out of income tax	215,699	8	202,050	7
Deferred tax liabilities	248,308	0	255,064	0
Other liabilities	141,255	72	147,237	322
Subtotal	45,962,536	2,715,644	45,670,006	2,697,044
Shareholders' equity	6,075,227		6,043,949	
Total	52,037,763	2,715,644	51,713,955	2,697,044

*Incl. their subsidiaries

Income statement	1.1.-31.3.2018	thereof non-profit societies*	1.1.-31.3.2017	thereof non-profit societies*
in EUR '000				
Premiums written – gross	2,826,075	0	2,719,571	0
Net earned premiums – retention	2,203,053	0	2,152,854	0
Financial result excluding at equity consolidated companies	228,644	14,553	235,905	20,229
Income from investments	407,167	73,876	391,257	69,475
Expenses for investments and interest expenses	-178,523	-59,323	-155,352	-49,246
Result from shares in at equity consolidated companies	9,750	0	11,819	0
Other income	33,157	0	29,517	0
Expenses for claims and insurance benefits – retention	-1,737,603	0	-1,741,419	0
Acquisition and administrative expenses	-567,827	0	-518,229	0
Other expenses	-51,835	-617	-60,827	-1,065
Result before taxes	117,339	13,936	109,620	19,164
Taxes	-26,344	-20	-22,006	215
Result of the period	90,995	13,916	87,614	19,379

*Incl. their subsidiaries

SEGMENT REPORTING

DETERMINATION OF REPORTABLE SEGMENTS

The segments were determined in accordance with IFRS 8 Operating segments based on internal reporting to the principal decision-maker. The individual markets in which the Group operates were identified as the operating segments. The Group Managing Board, as principal decision-maker, regularly evaluates earning power based on the segments and decides on the allocation of resources to the segments. The focus on countries is also reflected in the country responsibilities of the members of the VIG Managing Board. The countries Estonia, Latvia and Lithuania are combined in the Baltic states operating segment, and Albania and Kosovo are combined in the Albania incl. Kosovo operating segment when reporting to the Managing Board. The countries of Turkey and Georgia are also combined into one reporting segment.

The reportable segments were determined using the aggregation criteria in IFRS 8.12 and IFRS 8.14 and the quantitative thresholds defined in IFRS 8.13.

GENERAL INFORMATION ON SEGMENT REPORTING

Like transactions with third parties, transfer prices between reportable segments are determined using market prices. Intragroup transactions between segments are eliminated in the consolidation column. The only exception is dividends and intercompany profits, which are eliminated in each segment.

Further information on segment reporting is available in the Group Annual Report for 2017 starting on page 126.

CONSOLIDATED BALANCE SHEET BY SEGMENT

Assets	Austria		Czech Republic		Slovakia	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
<i>in EUR '000</i>						
Intangible assets	371,503	369,941	497,605	497,204	119,805	119,262
Investments	22,301,102	22,471,543	3,300,933	3,187,622	1,286,658	1,314,977
Investments for unit-linked and index-linked life insurance	5,807,098	5,869,028	355,116	358,039	213,380	211,392
Reinsurers' share in underwriting provisions	502,231	423,340	120,998	97,678	33,125	33,111
Receivables	714,531	581,646	168,883	123,510	71,911	65,381
Tax receivables and advance payments out of income tax	17,850	17,523	17,540	13,964	2,276	1,203
Deferred tax assets	3,417	3,415	4,989	5,168	7,850	5,432
Other assets	124,311	135,236	158,684	159,513	11,887	11,410
Cash and cash equivalents	913,686	798,824	101,358	166,807	73,341	67,027
Total	30,755,729	30,670,496	4,726,106	4,609,505	1,820,233	1,829,195

Assets	Poland		Romania		Baltic states	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
<i>in EUR '000</i>						
Intangible assets	148,858	148,146	185,528	186,909	131,213	132,976
Investments	949,084	935,138	695,659	669,064	412,897	398,310
Investments for unit-linked and index-linked life insurance	884,926	940,143	179,486	177,958	54,591	51,850
Reinsurers' share in underwriting provisions	53,334	51,954	31,361	31,785	31,758	23,049
Receivables	140,318	125,510	148,083	162,084	62,851	51,323
Tax receivables and advance payments out of income tax	1,892	1,463	2,121	2,120	395	258
Deferred tax assets	5,522	5,686	24,861	25,884	1,152	1,057
Other assets	9,487	9,078	12,068	7,227	7,922	7,012
Cash and cash equivalents	26,039	32,310	18,682	11,892	45,265	43,239
Total	2,219,460	2,249,428	1,297,849	1,274,923	748,044	709,074

Assets	Hungary		Bulgaria		Turkey/Georgia	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
<i>in EUR '000</i>						
Intangible assets	23,843	23,592	184,669	184,696	22,634	22,459
Investments	148,262	154,371	160,864	166,353	88,072	95,576
Investments for unit-linked and index-linked life insurance	425,397	430,862	3,788	3,586	0	0
Reinsurers' share in underwriting provisions	12,208	15,651	16,473	15,637	82,063	80,682
Receivables	21,487	16,240	47,316	40,256	72,748	56,739
Tax receivables and advance payments out of income tax	18	3	0	6	385	57
Deferred tax assets	1,937	1,941	1,070	1,063	1,328	1,370
Other assets	6,921	6,031	3,300	2,010	4,970	2,048
Cash and cash equivalents	8,593	4,282	29,851	21,781	20,814	21,007
Total	648,666	652,973	447,331	435,388	293,014	279,938

Assets	Remaining CEE		Other Markets		Central Functions		Total	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
in EUR '000								
Intangible assets	77,923	77,568	1,388	1,428	193,520	206,460	1,958,489	1,970,641
Investments	832,972	810,374	645,739	655,798	5,097,221	5,073,781	35,919,463	35,932,907
Investments for unit-linked and index-linked life insurance	85,257	86,497	939,626	931,718	0	0	8,948,665	9,061,073
Reinsurers' share in underwriting provisions	32,430	27,374	5,446	6,010	258,429	260,049	1,179,856	1,066,320
Receivables	74,354	77,580	15,901	15,355	185,256	160,238	1,723,639	1,475,862
Tax receivables and advance payments out of income tax	858	1,087	1,093	0	208,836	201,771	253,264	239,455
Deferred tax assets	3,833	3,836	2,156	1,894	24,843	24,060	82,958	80,806
Other assets	13,203	12,991	4,353	4,426	37,554	32,178	394,660	389,160
Cash and cash equivalents	26,353	22,103	51,747	25,263	261,040	283,196	1,576,769	1,497,731
Total	1,147,183	1,119,410	1,667,449	1,641,892	6,266,699	6,241,733	52,037,763	51,713,955

The investments included shares in at equity consolidated companies of EUR 265,938 in Austria (EUR 256,879), EUR 29,978 in the Czech Republic (EUR 29,649), and EUR 12,044 in the Central Functions segment (EUR 11,621).

Liabilities and shareholders' equity	Austria		Czech Republic		Slovakia	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
in EUR '000						
Subordinated liabilities	337,300	337,300	21,632	21,539	0	0
Underwriting provisions	22,125,981	22,023,833	3,044,502	3,016,152	1,155,971	1,140,185
Underwriting provisions for unit-linked and index-linked life insurance	5,488,622	5,599,225	217,894	219,815	226,785	226,462
Non-underwriting provisions	495,951	513,529	4,089	3,970	3,024	3,331
Liabilities	622,135	542,969	298,880	217,640	70,195	83,901
Tax liabilities out of income tax	191,422	179,838	15,108	11,989	1,141	2,973
Deferred tax liabilities	162,752	166,449	31,418	33,419	11,189	11,809
Other liabilities	75,148	78,872	11,204	16,788	10,210	6,217
Subtotal	29,499,311	29,442,015	3,644,727	3,541,312	1,478,515	1,474,878

Liabilities and shareholders' equity	Poland		Romania		Baltic states	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
in EUR '000						
Subordinated liabilities	0	0	0	0	0	0
Underwriting provisions	840,827	822,376	615,738	590,822	416,514	387,366
Underwriting provisions for unit-linked and index-linked life insurance	852,873	903,983	178,747	176,822	54,591	51,850
Non-underwriting provisions	9,416	9,220	26,229	25,971	489	335
Liabilities	74,497	85,024	70,811	74,946	40,741	36,961
Tax liabilities out of income tax	584	203	0	0	476	217
Deferred tax liabilities	22,513	21,620	0	0	2,683	2,683
Other liabilities	13,538	13,442	6,381	8,260	2,905	1,959
Subtotal	1,814,248	1,855,868	897,906	876,821	518,399	481,371

Liabilities and shareholders' equity	Hungary		Bulgaria		Turkey/Georgia	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
in EUR '000						
Subordinated liabilities	0	0	0	0	0	0
Underwriting provisions	156,447	144,046	156,963	148,198	207,358	187,618
Underwriting provisions for unit-linked and index-linked life insurance	416,060	420,163	3,589	3,452	0	0
Non-underwriting provisions	2,766	3,718	24,061	24,133	6,935	7,293
Liabilities	18,014	20,314	21,368	18,618	24,746	26,772
Tax liabilities out of income tax	289	356	227	398	173	510
Deferred tax liabilities	635	652	1,137	1,315	67	53
Other liabilities	2,547	2,682	348	416	1,894	1,881
Subtotal	596,758	591,931	207,693	196,530	241,173	224,127

Liabilities and shareholders' equity	Remaining CEE		Other Markets		Central Functions		Total	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
in EUR '000								
Subordinated liabilities	0	0	0	0	1,100,000	1,100,000	1,458,932	1,458,839
Underwriting provisions	754,237	741,132	619,627	609,390	375,454	357,055	30,469,619	30,168,173
Underwriting provisions for unit-linked and index-linked life insurance	88,556	86,497	936,751	924,480	0	0	8,464,468	8,612,749
Non-underwriting provisions	7,534	7,611	8,456	9,061	193,119	185,620	782,069	793,792
Liabilities	42,035	40,392	36,093	36,219	2,862,671	2,848,346	4,182,186	4,032,102
Tax liabilities out of income tax	698	627	732	219	4,849	4,720	215,699	202,050
Deferred tax liabilities	2,850	2,694	474	584	12,590	13,786	248,308	255,064
Other liabilities	14,715	14,478	2	2	2,363	2,240	141,255	147,237
Subtotal	910,625	893,431	1,602,135	1,579,955	4,551,046	4,511,767	45,962,536	45,670,006
Shareholders' equity							6,075,227	6,043,949
Total							52,037,763	51,713,955

Intrasegment transactions have been eliminated from the amounts indicated for each segment. As a result, the segment assets and liabilities cannot be netted to determine the segment shareholders' equity.

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	Austria		Czech Republic		Slovakia		Poland	
	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17
in EUR '000								
Premiums written – gross	1,272,950	1,290,728	465,278	427,465	216,184	209,907	232,783	213,343
Net earned premiums – retention	828,519	858,556	320,227	295,805	169,916	158,883	170,514	174,464
Financial result excluding at equity consolidated companies	171,859	176,153	33,358	24,923	10,554	11,390	5,929	6,035
Income from investments	219,601	223,981	49,209	31,773	11,561	12,371	9,850	10,980
Expenses for investments and interest expenses	-47,742	-47,828	-15,851	-6,850	-1,007	-981	-3,921	-4,945
Result from shares in at equity consolidated companies	8,829	10,940	502	463	0	0	0	0
Other income	5,621	5,394	10,553	12,155	1,381	2,267	1,268	2,695
Expenses for claims and insurance benefits – retention	-784,803	-824,853	-212,102	-192,766	-133,142	-129,231	-121,914	-135,937
Acquisition and administrative expenses	-187,657	-183,700	-95,437	-88,081	-35,914	-25,725	-40,609	-37,237
Other expenses	-4,886	-4,636	-11,428	-10,490	-6,088	-6,225	-4,957	-4,142
Result before taxes	37,482	37,854	45,673	42,009	6,707	11,359	10,231	5,878
Taxes	-12,118	-6,728	-9,136	-7,337	-2,796	-4,453	-2,537	-1,406
Result of the period	25,364	31,126	36,537	34,672	3,911	6,906	7,694	4,472

	Romania		Baltic states		Hungary		Bulgaria	
	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17
in EUR '000								
Premiums written – gross	146,602	131,570	97,165	76,493	72,217	73,668	45,091	43,493
Net earned premiums – retention	99,848	98,954	64,741	56,988	41,399	38,097	32,991	29,633
Financial result excluding at equity consolidated companies	3,129	2,882	989	1,346	1,583	1,977	2,469	2,437
Income from investments	5,101	4,293	1,846	1,970	2,101	2,519	6,253	6,326
Expenses for investments and interest expenses	-1,972	-1,411	-857	-624	-518	-542	-3,784	-3,889
Result from shares in at equity consolidated companies	0	0	0	0	0	0	0	0
Other income	1,344	1,933	299	233	865	429	108	124
Expenses for claims and insurance benefits – retention	-69,742	-70,795	-46,176	-40,850	-30,105	-27,432	-19,149	-17,482
Acquisition and administrative expenses	-25,559	-23,091	-17,416	-17,278	-9,368	-9,177	-11,304	-9,656
Other expenses	-4,895	-6,641	-3,056	-2,815	-2,750	-2,796	-2,032	-2,644
Result before taxes	4,125	3,242	-619	-2,376	1,624	1,098	3,083	2,412
Taxes	-925	-563	-349	188	-142	-76	-251	-194
Result of the period	3,200	2,679	-968	-2,188	1,482	1,022	2,832	2,218

	Turkey/Georgia		Remaining CEE		Other Markets	
	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17
in EUR '000						
Premiums written – gross	65,681	67,706	92,511	89,339	77,299	67,975
Net earned premiums – retention	22,831	24,503	61,577	61,161	63,570	54,580
Financial result excluding at equity consolidated companies	1,960	2,119	5,806	7,521	5,276	5,293
Income from investments	3,189	3,253	9,967	11,273	5,790	5,762
Expenses for investments and interest expenses	-1,229	-1,134	-4,161	-3,752	-514	-469
Result from shares in at equity consolidated companies	0	0	0	0	0	0
Other income	1,982	1,456	2,185	1,435	6,864	1,000
Expenses for claims and insurance benefits – retention	-18,717	-20,455	-39,530	-39,483	-55,685	-39,722
Acquisition and administrative expenses	-4,661	-4,657	-21,340	-20,952	-8,247	-6,105
Other expenses	-1,566	-1,060	-2,486	-3,785	-6,773	-8,354
Result before taxes	1,829	1,906	6,212	5,897	5,005	6,692
Taxes	-234	-123	-1,169	-782	-1,185	-1,601
Result of the period	1,595	1,783	5,043	5,115	3,820	5,091

	Central Functions		Consolidation		Total	
	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17	1.1.-31.3.18	1.1.-31.3.17
in EUR '000						
Premiums written – gross	431,552	393,679	-389,238	-365,795	2,826,075	2,719,571
Net earned premiums – retention	323,526	299,264	3,394	1,966	2,203,053	2,152,854
Financial result excluding at equity consolidated companies	-14,273	-6,017	5	-154	228,644	235,905
Income from investments	98,688	90,186	-15,989	-13,430	407,167	391,257
Expenses for investments and interest expenses	-112,961	-96,203	15,994	13,276	-178,523	-155,352
Result from shares in at equity consolidated companies	419	416	0	0	9,750	11,819
Other income	689	402	-2	-6	33,157	29,517
Expenses for claims and insurance benefits – retention	-206,252	-203,873	-286	1,460	-1,737,603	-1,741,419
Acquisition and administrative expenses	-107,203	-89,579	-3,112	-2,991	-567,827	-518,229
Other expenses	-891	-6,711	-27	-528	-51,835	-60,827
Result before taxes	-3,985	-6,098	-28	-253	117,339	109,620
Taxes	4,498	1,069	0	0	-26,344	-22,006
Result of the period	513	-5,029	-28	-253	90,995	87,614

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

Composition	31.3.2018	31.12.2017
in EUR '000		
Goodwill	1,539,694	1,537,694
Purchased insurance portfolios	26,963	28,092
Other intangible assets	391,832	404,855
Purchased software	323,952	334,821
Other	67,880	70,034
Total	1,958,489	1,970,641

Development of goodwill	31.3.2018	31.12.2017
in EUR '000		
Acquisition costs	1,906,517	1,884,782
Cumulative impairment as of 31.12. of previous years	-368,823	-352,592
Book value as of 31.12. of the previous year	1,537,694	1,532,190
Exchange rate differences	1,174	23,790
Book value as of 1.1.	1,538,868	1,555,980
Additions	826	1,176
Impairments	0	-19,462
Book value as of 31.3. and 31.12. respectively	1,539,694	1,537,694
Cumulative appreciation/depreciation as of 31.3. and 31.12. respectively	369,397	368,823
Acquisition costs	1,909,091	1,906,517

2. INVESTMENTS

Composition	31.3.2018	31.12.2017
in EUR '000		
Land and buildings	5,723,306	5,684,598
Shares in at equity consolidated companies	307,960	298,149
Loans and other investments	3,372,816	3,267,067
Other securities	26,515,381	26,683,093
Total	35,919,463	35,932,907

2.1. Other securities

Development	Held to maturity (incl. reclassified)		Available for sale		Recognised at fair value through profit and loss*	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
in EUR '000						
Acquisition costs	3,127,710	3,063,233				
Cumulative depreciation as of 31.12. of the previous years	-261	2,589				
Book value as of 31.12. of the previous year	3,127,449	3,065,822	23,220,303	21,851,248	335,341	461,290
Exchange rate differences	7,040	136,911	-7,331	34,806	-861	5,569
Book value as of 1.1.	3,134,489	3,202,733	23,212,972	21,886,054	334,480	466,859
Reclassifications	0	0	1,157	-10,676	-2,739	-1,988
Additions	26,517	149,434	947,634	4,187,627	79,073	174,378
Disposals/repayments	-10,764	-224,289	-932,542	-2,966,688	-66,249	-301,222
Change in the scope of consolidation	0	0	-35	46,290	0	0
Changes in value recognised in profit and loss	0	0	0	0	-2,859	-2,686
Changes recognised directly in equity	0	0	-204,634	86,153	0	0
Impairments	0	-429	-1,119	-8,457	0	0
Book value as of 31.3. and 31.12. respectively	3,150,242	3,127,449	23,023,433	23,220,303	341,706	335,341
Cumulative appreciation/depreciation as of 31.3. and 31.12. respectively	1,003	261				
Acquisition costs	3,151,245	3,127,710				

*Including held for trading

3. REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	31.3.2018	31.12.2017
in EUR '000		
Provision for unearned premiums	273,125	153,784
Mathematical reserve	37,718	37,850
Provision for outstanding claims	853,444	858,473
Provision for profit-unrelated premium refunds	13,896	14,670
Other underwriting provisions	1,673	1,543
Total	1,179,856	1,066,320

4. RECEIVABLES

Composition	31.3.2018	31.12.2017
in EUR '000		
Underwriting	990,232	768,188
Receivables from direct insurance business	879,082	639,792
from policyholders	707,100	492,952
from insurance intermediaries	109,178	102,919
from insurance companies	62,804	43,921
Receivables from reinsurance business	111,150	128,396
Non-underwriting	733,407	707,674
Other receivables	733,407	707,674
Total	1,723,639	1,475,862

5. EARNINGS PER SHARE (ANNUALISED)

Under IAS 33.10, basic earnings per share “shall be calculated by dividing profit or loss attributable to common shareholders of the parent entity (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period.”

		1.1.-31.3.2018	1.1.-31.3.2017
Result of the period	in EUR '000	90,995	87,614
Other non-controlling interests in net result of the period	in EUR '000	-1,567	817
Non-controlling interests in the result of the period of non-profit societies	in EUR '000	-13,914	-19,379
Result of the period less non-controlling interests	in EUR '000	75,514	69,052
Accrued interest expenses for hybrid capital	in EUR '000	2,930	2,930
Number of shares at closing date	units	128,000,000	128,000,000
Result per share (annualised)*	EUR	2.26825000	2.07

*The undiluted result per share equals the diluted result per share (in EUR).

6. UNDERWRITING PROVISION – GROSS

Composition		31.3.2018	31.12.2017
in EUR '000			
Provision for unearned premiums		1,807,240	1,395,073
Mathematical reserve		21,990,622	21,962,632
Guaranteed policy benefits		20,383,609	20,296,586
Allocated and committed profit shares		764,753	754,879
Deferred mathematical reserve		842,260	911,167
Provision for outstanding claims		5,119,902	5,141,400
Provision for premium refunds		1,501,088	1,619,268
Profit-related premium refunds		311,249	315,181
Profit-unrelated premium refunds		67,680	65,620
Deferred profit participation recognised through profit and loss [†]		228,634	231,850
Deferred profit participation recognised directly in equity [†]		893,525	1,006,617
Other underwriting provisions		50,767	49,800
Total		30,469,619	30,168,173

*The deferred profit participation is solely due to the profit-related premium refund.

7. NON-UNDERWRITING PROVISIONS

Composition		31.3.2018	31.12.2017
in EUR '000			
Provisions for pensions and similar obligations		486,678	483,408
Other non-underwriting provisions		295,391	310,384
Total		782,069	793,792

8. LIABILITIES

Composition	31.3.2018	31.12.2017
in EUR '000		
Underwriting	839,594	778,908
Liabilities from direct business	625,228	625,886
to policyholders	365,437	407,101
to insurance intermediaries	194,754	191,205
to insurance companies	65,037	27,580
Liabilities from reinsurance business	167,654	102,197
Deposits from ceded reinsurance business	46,712	50,825
Non-underwriting	3,342,592	3,253,194
Liabilities to financial institutions	1,183,562	1,201,031
Other liabilities	2,159,030	2,052,163
Total	4,182,186	4,032,102

NOTES TO THE CONSOLIDATED INCOME STATEMENT

9. PREMIUMS WRITTEN

Premiums written	1.1.-31.3.2018						Total
	Motor own damage insurance (Casco)	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	
in EUR '000							
Austria	94,138	110,332	545,490	345,731	69,955	107,304	1,272,950
Czech Republic	60,448	74,182	157,585	153,292	16,286	3,485	465,278
Slovakia	27,703	43,322	39,569	43,276	59,705	2,609	216,184
Poland	42,436	52,379	67,257	48,316	19,847	2,548	232,783
Romania	32,132	54,801	28,949	11,897	16,685	2,138	146,602
Baltic states	16,873	27,337	18,855	13,623	5,138	15,339	97,165
Hungary	5,204	8,627	23,907	21,944	8,142	4,393	72,217
Bulgaria	14,267	5,688	10,022	9,678	2,369	3,067	45,091
Turkey/Georgia	7,293	13,114	32,408	0	0	12,866	65,681
Remaining CEE	10,456	20,238	33,284	15,007	9,739	3,787	92,511
Other Markets	0	0	33,627	19,150	24,522	0	77,299
Central Functions	0	0	421,272	4,297	0	5,983	431,552
Consolidation							-389,238
Total	310,950	410,020	1,412,225	686,211	232,388	163,519	2,826,075

Premiums written	1.1.-31.3.2017						Total
	Motor own damage insurance (Casco)	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	
in EUR '000							
Austria	92,445	106,872	530,216	347,630	110,206	103,359	1,290,728
Czech Republic	57,578	69,966	139,952	137,362	19,333	3,274	427,465
Slovakia	27,128	41,921	38,734	41,894	57,862	2,368	209,907
Poland	30,212	38,912	51,491	48,564	42,394	1,770	213,343
Romania	28,834	41,143	27,455	10,890	21,436	1,812	131,570
Baltic states	13,163	21,540	15,759	11,635	2,715	11,681	76,493
Hungary	4,980	8,173	28,196	21,450	8,565	2,304	73,668
Bulgaria	12,212	6,180	10,199	9,641	2,089	3,172	43,493
Turkey/Georgia	7,848	15,001	31,888	0	0	12,969	67,706
Remaining CEE	9,973	18,814	28,509	14,959	14,158	2,926	89,339
Other Markets	0	0	31,736	18,210	18,029	0	67,975
Central Functions	0	0	384,240	4,378	0	5,061	393,679
Consolidation							-365,795
Total	284,373	368,522	1,318,375	666,613	296,787	150,696	2,719,571

10. FINANCIAL RESULT EXCLUDING AT EQUITY CONSOLIDATED COMPANIES

Composition	1.1.-31.3.2018						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	185,149	31,446	10,736	7,898	4,760	1,598	2,004
Income from appreciation	427	624	299	472	20	100	0
of which a reduction in impairment	0	0	0	0	0	0	0
Gains from disposal of investments	34,025	17,139	526	1,480	321	148	97
Total income	219,601	49,209	11,561	9,850	5,101	1,846	2,101
Depreciation of investment	11,853	2,485	535	2,262	336	392	165
of which impairment of investments	949	0	0	0	0	0	161
Exchange rate differences	111	3,951	3	-547	11	43	47
Losses from disposal of investments	3,055	2,528	145	251	0	131	50
Interest expenses	14,350	1,080	29	1,020	1,005	100	15
Personnel provisions	1,493	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	10	0	0	0	0	0	0
Interest expenses for financing liabilities	539	0	0	0	0	0	0
Interest expenses for subordinate liabilities	8,921	270	0	133	265	90	0
Other interest expenses	3,387	810	29	887	740	10	15
Other expenses	18,373	5,807	295	935	620	191	241
Managed Portfolio Fees	982	606	37	296	215	47	59
Asset management expenses	13,027	499	237	639	405	131	182
Other expenses	4,364	4,702	21	0	0	13	0
Total expenses	47,742	15,851	1,007	3,921	1,972	857	518

Composition

1.1.-31.3.2018

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
<i>in EUR '000</i>							
Current income	5,860	3,106	8,875	5,118	90,845	-15,989	341,406
Income from appreciation	15	45	17	6	52	0	2,077
of which a reduction in impairment	0	0	8	6	0	0	14
Gains from disposal of investments	378	38	1,075	666	7,791	0	63,684
Total income	6,253	3,189	9,967	5,790	98,688	-15,989	407,167
Depreciation of investment	483	236	269	153	29,333	0	48,502
of which impairment of investments	0	0	3	8	0	0	1,121
Exchange rate differences	119	222	3,254	6	1,512	0	8,732
Losses from disposal of investments	177	50	31	27	1,318	0	7,763
Interest expenses	86	453	135	126	28,769	-15,994	31,174
Personnel provisions	0	0	0	0	187	0	1,680
Interest expenses for liabilities to financial institutions	0	0	0	0	2,867	0	2,877
Interest expenses for financing liabilities	36	25	9	0	11,995	-7,028	5,576
Interest expenses for subordinate liabilities	40	0	0	0	12,329	-5,911	16,137
Other interest expenses	10	428	126	126	1,391	-3,055	4,904
Other expenses	2,919	268	472	202	52,029	0	82,352
Managed Portfolio Fees	42	157	3	0	36	0	2,480
Asset management expenses	2,825	30	360	202	51,436	0	69,973
Other expenses	52	81	109	0	557	0	9,899
Total expenses	3,784	1,229	4,161	514	112,961	-15,994	178,523

Composition	1.1.-31.3.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	191,774	26,363	10,957	8,013	3,959	1,507	1,984
Income from appreciation	1,623	780	556	2,607	64	435	0
of which a reduction in impairment	0	0	0	0	0	0	0
Gains from disposal of investments	30,584	4,630	858	360	270	28	535
Total income	223,981	31,773	12,371	10,980	4,293	1,970	2,519
Depreciation of investment	20,029	2,354	691	635	321	415	0
of which impairment of investments	515	0	0	271	0	0	0
Exchange rate differences	5	1,319	5	2,152	-55	-55	82
Losses from disposal of investments	1,418	813	58	321	6	78	53
Interest expenses	10,439	665	31	977	627	51	154
Personnel provisions	1,339	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	12	0	0	0	0	0	0
Interest expenses for financing liabilities	568	0	0	0	0	0	2
Interest expenses for subordinate liabilities	5,027	253	0	128	265	45	131
Other interest expenses	3,493	412	31	849	362	6	21
Other expenses	15,937	1,699	196	860	512	135	253
Managed portfolio fees	1,051	740	30	328	153	0	59
Asset management expenses	12,908	645	157	532	331	129	194
Other expenses	1,978	314	9	0	28	6	0
Total expenses	47,828	6,850	981	4,945	1,411	624	542

Composition

1.1.-31.3.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Current income	5,748	3,110	9,578	4,939	84,764	-13,430	339,266
Income from appreciation	247	121	655	2	90	0	7,180
of which a reduction in impairment	0	0	617	0	0	0	617
Gains from disposal of investments	331	22	1,040	821	5,332	0	44,811
Total income	6,326	3,253	11,273	5,762	90,186	-13,430	391,257
Depreciation of investment	419	183	367	129	34,132	0	59,675
of which impairment of investments	0	0	74	0	6,000	0	6,860
Exchange rate differences	93	295	2,575	0	-4,031	0	2,385
Losses from disposal of investments	210	45	151	20	0	0	3,173
Interest expenses	87	276	176	119	27,435	-13,276	27,761
Personnel provisions	0	0	0	0	155	0	1,494
Interest expenses for liabilities to financial institutions	0	0	0	0	3,485	0	3,497
Interest expenses for financing liabilities	36	23	19	0	11,539	-6,959	5,228
Interest expenses for subordinate liabilities	40	0	40	0	10,848	-4,235	12,542
Other interest expenses	11	253	117	119	1,408	-2,082	5,000
Other expenses	3,080	335	483	201	38,667	0	62,358
Managed portfolio fees	38	3	0	0	40	0	2,442
Asset management expenses	2,977	87	393	162	37,599	0	56,114
Other expenses	65	245	90	39	1,028	0	3,802
Total expenses	3,889	1,134	3,752	469	96,203	-13,276	155,352

11. OTHER INCOME

Composition

1.1.-31.3.2018

1.1.-31.3.2017

Other income	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
in EUR '000						
Austria	3,429	2,192	5,621	2,927	2,467	5,394
Czech Republic	10,279	274	10,553	11,600	555	12,155
Slovakia	881	500	1,381	2,021	246	2,267
Poland	90	1,178	1,268	501	2,194	2,695
Romania	1,194	150	1,344	1,570	363	1,933
Baltic states	123	176	299	94	139	233
Hungary	303	562	865	280	149	429
Bulgaria	94	14	108	115	9	124
Turkey/Georgia	41	1,941	1,982	106	1,350	1,456
Remaining CEE	1,074	1,111	2,185	1,223	212	1,435
Other Markets	6,838	26	6,864	950	50	1,000
Central Functions	25	664	689	13	389	402
Consolidation	0	-2	-2	-6	0	-6
Total	24,371	8,786	33,157	21,394	8,123	29,517

12. EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	1.1.-31.3.2018						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Expenses for claims and insurance benefits – gross	868,090	259,521	147,127	146,607	86,397	63,122	37,476
Payments for claims and insurance benefits	866,590	272,023	144,944	169,719	75,667	43,793	35,692
Changes in the provision for outstanding claims	-40,336	2,302	-12,610	845	1,203	9,542	792
Change in mathematical reserve	25,342	-20,552	15,599	-24,251	9,769	9,760	-215
Change in other underwriting provisions	-82	232	0	-118	-287	0	400
Expenses for profit-related and profit-unrelated premium refunds	16,576	5,516	-806	412	45	27	807
Expenses for claims and insurance benefits – reinsurers' share	-83,287	-47,419	-13,985	-24,693	-16,655	-16,946	-7,371
Payments for claims and insurance benefits	-78,347	-47,013	-22,875	-26,077	-20,766	-9,975	-7,399
Changes in the provision for outstanding claims	-4,747	-423	8,160	1,370	4,118	-6,971	134
Change in mathematical reserve	-93	0	0	14	-7	0	0
Change in other underwriting provisions	0	0	0	0	0	0	-159
Expenses for profit-unrelated premium refunds	-100	17	730	0	0	0	53
Expenses for claims and insurance benefits – retention	784,803	212,102	133,142	121,914	69,742	46,176	30,105
Payments for claims and insurance benefits	788,243	225,010	122,069	143,642	54,901	33,818	28,293
Changes in the provision for outstanding claims	-45,083	1,879	-4,450	2,215	5,321	2,571	926
Change in mathematical reserve	25,249	-20,552	15,599	-24,237	9,762	9,760	-215
Change in other underwriting provisions	-82	232	0	-118	-287	0	241
Expenses for profit-related and profit-unrelated premium refunds	16,476	5,533	-76	412	45	27	860

Composition

1.1.-31.3.2018

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
<i>in EUR '000</i>							
Expenses for claims and insurance benefits – gross	22,726	39,338	48,030	60,682	218,692	-183,403	1,814,405
Payments for claims and insurance benefits	18,332	27,366	41,169	23,195	206,995	-177,834	1,747,651
Changes in the provision for outstanding claims	2,244	11,973	-38	6,246	12,026	-5,559	-11,370
Change in mathematical reserve	2,047	0	6,902	30,503	-388	-10	54,506
Change in other underwriting provisions	0	-1	4	0	0	0	148
Expenses for profit-related and profit-unrelated premium refunds	103	0	-7	738	59	0	23,470
Expenses for claims and insurance benefits – reinsurers' share	-3,577	-20,621	-8,500	-4,997	-12,440	183,689	-76,802
Payments for claims and insurance benefits	-2,866	-10,081	-8,184	-2,864	-22,477	177,499	-81,425
Changes in the provision for outstanding claims	-713	-10,558	-319	-2,280	10,037	6,180	3,988
Change in mathematical reserve	2	0	3	147	0	10	76
Change in other underwriting provisions	0	18	0	0	0	0	-141
Expenses for profit-unrelated premium refunds	0	0	0	0	0	0	700
Expenses for claims and insurance benefits – retention	19,149	18,717	39,530	55,685	206,252	286	1,737,603
Payments for claims and insurance benefits	15,466	17,285	32,985	20,331	184,518	-335	1,666,226
Changes in the provision for outstanding claims	1,531	1,415	-357	3,966	22,063	621	-7,382
Change in mathematical reserve	2,049	0	6,905	30,650	-388	0	54,582
Change in other underwriting provisions	0	17	4	0	0	0	7
Expenses for profit-related and profit-unrelated premium refunds	103	0	-7	738	59	0	24,170

Composition	1.1.-31.3.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Expenses for claims and insurance benefits – gross	862,919	230,780	143,480	158,751	91,991	49,130	30,347
Payments for claims and insurance benefits	840,766	254,102	137,817	139,943	92,001	40,519	36,879
Changes in the provision for outstanding claims	-22,185	-15,769	-7,925	-513	2,964	2,274	-2,069
Change in mathematical reserve	-5,798	-11,926	14,383	19,421	-2,897	6,337	-4,533
Change in other underwriting provisions	0	0	0	-265	0	0	-152
Expenses for profit-related and profit-unrelated premium refunds	50,136	4,373	-795	165	-77	0	222
Expenses for claims and insurance benefits – reinsurers' share	-38,066	-38,014	-14,249	-22,814	-21,196	-8,280	-2,915
Payments for claims and insurance benefits	-77,919	-44,971	-20,884	-22,720	-19,502	-6,202	-3,402
Changes in the provision for outstanding claims	-4,664	8,926	6,635	-104	-1,754	-2,078	656
Change in mathematical reserve	44,910	0	0	10	60	0	0
Change in other underwriting provisions	0	0	0	0	0	0	-188
Expenses for profit-unrelated premium refunds	-393	-1,969	0	0	0	0	19
Expenses for claims and insurance benefits – retention	824,853	192,766	129,231	135,937	70,795	40,850	27,432
Payments for claims and insurance benefits	762,847	209,131	116,933	117,223	72,499	34,317	33,477
Changes in the provision for outstanding claims	-26,849	-6,843	-1,290	-617	1,210	196	-1,413
Change in mathematical reserve	39,112	-11,926	14,383	19,431	-2,837	6,337	-4,533
Change in other underwriting provisions	0	0	0	-265	0	0	-340
Expenses for profit-related and profit-unrelated premium refunds	49,743	2,404	-795	165	-77	0	241

Composition

1.1.-31.3.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Expenses for claims and insurance benefits – gross	19,878	33,402	51,212	42,207	234,185	-168,678	1,779,604
Payments for claims and insurance benefits	18,949	24,071	40,771	30,711	190,318	-170,473	1,676,374
Changes in the provision for outstanding claims	-2,912	9,384	390	2,570	44,397	1,819	12,425
Change in mathematical reserve	3,912	0	10,223	7,482	-530	-24	36,050
Change in other underwriting provisions	0	-53	10	0	0	0	-460
Expenses for profit-related and profit-unrelated premium refunds	-71	0	-182	1,444	0	0	55,215
Expenses for claims and insurance benefits – reinsurers' share	-2,396	-12,947	-11,729	-2,485	-30,312	167,218	-38,185
Payments for claims and insurance benefits	-4,719	-7,266	-10,784	-2,932	-13,810	169,836	-65,275
Changes in the provision for outstanding claims	2,322	-5,698	-1,562	-65	-16,403	-2,641	-16,430
Change in mathematical reserve	1	0	617	512	-99	23	46,034
Change in other underwriting provisions	0	17	0	0	0	0	-171
Expenses for profit-unrelated premium refunds	0	0	0	0	0	0	-2,343
Expenses for claims and insurance benefits – retention	17,482	20,455	39,483	39,722	203,873	-1,460	1,741,419
Payments for claims and insurance benefits	14,230	16,805	29,987	27,779	176,508	-637	1,611,099
Changes in the provision for outstanding claims	-590	3,686	-1,172	2,505	27,994	-822	-4,005
Change in mathematical reserve	3,913	0	10,840	7,994	-629	-1	82,084
Change in other underwriting provisions	0	-36	10	0	0	0	-631
Expenses for profit-related and profit-unrelated premium refunds	-71	0	-182	1,444	0	0	52,872

13. ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition

1.1.-31.3.2018

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Acquisition expenses	188,720	111,476	36,490	42,754	29,833	16,875	9,260
Commission expenses	127,046	77,687	29,888	36,565	21,253	12,016	7,403
Pro rata personnel expenses	32,269	20,392	3,478	4,352	4,953	3,390	1,028
Pro rata material expenses	29,405	13,397	3,124	1,837	3,627	1,469	829
Administrative expenses	42,540	17,815	6,843	10,128	2,959	5,179	4,446
Pro rata personnel expenses	17,441	7,859	2,373	5,351	1,610	3,419	1,747
Pro rata material expenses	25,099	9,956	4,470	4,777	1,349	1,760	2,699
Received reinsurance commissions	-43,603	-33,854	-7,419	-12,273	-7,233	-4,638	-4,338
Total	187,657	95,437	35,914	40,609	25,559	17,416	9,368

Composition	1.1.-31.3.2018						Total
	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	
in EUR '000							
Acquisition expenses	11,088	8,393	21,794	10,654	113,247	-96,283	504,301
Commission expenses	8,557	6,311	14,311	9,388	111,320	-96,283	365,462
Pro rata personnel expenses	1,307	1,324	4,488	653	1,129	0	78,763
Pro rata material expenses	1,224	758	2,995	613	798	0	60,076
Administrative expenses	1,484	2,899	7,318	2,472	1,376	0	105,459
Pro rata personnel expenses	695	1,913	3,177	1,312	313	0	47,210
Pro rata material expenses	789	986	4,141	1,160	1,063	0	58,249
Received reinsurance commissions	-1,268	-6,631	-7,772	-4,879	-7,420	99,395	-41,933
Total	11,304	4,661	21,340	8,247	107,203	3,112	567,827

Composition	1.1.-31.3.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Acquisition expenses	186,311	103,617	29,477	37,086	24,173	13,616	10,144
Commission expenses	123,571	74,319	22,931	31,426	17,140	9,842	8,219
Pro rata personnel expenses	33,119	17,226	3,188	3,869	4,330	2,717	1,016
Pro rata material expenses	29,621	12,072	3,358	1,791	2,703	1,057	909
Administrative expenses	40,567	15,208	5,925	9,579	4,411	5,194	4,288
Pro rata personnel expenses	17,548	6,644	2,617	5,153	2,006	3,346	1,749
Pro rata material expenses	23,019	8,564	3,308	4,426	2,405	1,848	2,539
Received reinsurance commissions	-43,178	-30,744	-9,677	-9,428	-5,493	-1,532	-5,255
Total	183,700	88,081	25,725	37,237	23,091	17,278	9,177

Composition	1.1.-31.3.2017						Total
	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	
in EUR '000							
Acquisition expenses	9,641	7,840	20,626	9,994	97,603	-84,257	465,871
Commission expenses	7,738	5,867	13,064	8,705	96,160	-84,257	334,725
Pro rata personnel expenses	1,178	1,257	4,465	665	848	0	73,878
Pro rata material expenses	725	716	3,097	624	595	0	57,268
Administrative expenses	1,291	3,295	7,391	2,492	1,025	0	100,666
Pro rata personnel expenses	619	2,216	3,334	1,297	49	0	46,578
Pro rata material expenses	672	1,079	4,057	1,195	976	0	54,088
Received reinsurance commissions	-1,276	-6,478	-7,065	-6,381	-9,049	87,248	-48,308
Total	9,656	4,657	20,952	6,105	89,579	2,991	518,229

14. OTHER EXPENSES

Composition	1.1.-31.3.2018			1.1.-31.3.2017		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
in EUR '000						
Austria	2,980	1,906	4,886	2,476	2,160	4,636
Czech Republic	10,675	753	11,428	9,774	716	10,490
Slovakia	6,040	48	6,088	6,220	5	6,225
Poland	1,814	3,143	4,957	1,311	2,831	4,142
Romania	4,742	153	4,895	6,181	460	6,641
Baltic states	1,808	1,248	3,056	1,593	1,222	2,815
Hungary	1,982	768	2,750	2,019	777	2,796
Bulgaria	1,999	33	2,032	1,934	710	2,644
Turkey/Georgia	242	1,324	1,566	574	486	1,060
Remaining CEE	1,900	586	2,486	2,438	1,347	3,785
Other Markets	6,553	220	6,773	8,143	211	8,354
Central Functions	152	739	891	424	6,287	6,711
Consolidation	-5	32	27	-133	661	528
Total	40,882	10,953	51,835	42,954	17,873	60,827

ADDITIONAL DISCLOSURES

15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT HIERARCHY

Information on the nature and extent of risks arising from financial instruments is provided in the section titled “Financial instruments and risk management” in the Group Annual Report for 2017 starting on page 133.

Fair value and book value of financial instruments and other investments

Fair values and book values of financial instruments and other investments in EUR '000	31.3.2018				Fair value
	Book value	Level 1	Level 2	Level 3	
Land and buildings excluding non-profit societies¹	2,097,522	0	70,545	3,215,369	3,285,914
Self-used land and buildings	458,950	0	39,065	663,992	703,057
Investment property	1,638,572	0	31,480	2,551,377	2,582,857
Investment property held by non-profit societies	3,625,784				
Shares in at equity consolidated companies	307,960				
Loans	2,518,072	222,125	2,495,710	141,184	2,859,019
Loans	1,378,392	0	1,376,790	120,781	1,497,571
Reclassified loans	184,664	86,766	139,358	0	226,124
Bonds classified as loans	955,016	135,359	979,562	20,403	1,135,324
Other securities	26,515,381	23,411,823	3,149,188	308,435	26,869,446
Financial instruments held to maturity	2,464,219	2,328,504	378,691	8,752	2,715,947
Financial instruments reclassified as held to maturity	686,023	769,711	18,649	0	788,360
Financial instruments available for sale	23,023,433	20,126,826	2,637,675	258,932	23,023,433
Financial instruments recognised at fair value through profit and loss ²	341,706	186,782	114,173	40,751	341,706
Other investments	854,744				
Investments for unit-linked and index-linked life insurance	8,948,665	8,948,665			8,948,665
Subordinated liabilities	1,458,932	0	1,502,238	21,838	1,524,076
Liabilities to financial institutions	1,183,562				1,183,562
thereof non-profit societies	1,034,172				1,034,172
Financing liabilities³	1,476,833				1,476,833
thereof non-profit societies	1,418,207				1,418,207

¹ The market values are derived from internal and external expert reports.

² Including held for trading

³ Not including lease liabilities and derivative liabilities

Book value was generally used for the fair value of the financial liabilities (except for subordinated liabilities), which were primarily due to the non-profit societies, as no market exists for property subject to the Austrian Non-Profit Housing Act (WGG). The same applies to their financing loans and bonds, whose terms are determined by the special nature of the non-profit sector and consequently are not available in this form to companies outside the sector. As a result, no market can be found for these forms of financing either.

Fair values and book values of financial instruments and other investments

31.12.2017

	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Land and buildings excluding non-profit societies ¹	2,070,171	0	72,101	3,180,883	3,252,984
Self-used land and buildings	430,906	0	40,432	634,323	674,755
Investment property	1,639,265	0	31,669	2,546,560	2,578,229
Investment property held by non-profit societies	3,614,427				
Shares in at equity consolidated companies	298,149				
Loans	2,588,679	261,277	2,479,234	196,127	2,936,638
Loans	1,394,260	0	1,330,410	181,086	1,511,496
Reclassified loans	241,511	127,478	160,665	0	288,143
Bonds classified as loans	952,908	133,799	988,159	15,041	1,136,999
Other securities	26,683,093	23,571,234	3,209,867	312,333	27,093,434
Financial instruments held to maturity	2,443,702	2,367,296	360,487	8,426	2,736,209
Financial instruments reclassified as held to maturity	683,747	782,948	18,633	0	801,581
Financial instruments available for sale	23,220,303	20,259,701	2,696,134	264,468	23,220,303
Financial instruments recognised at fair value through profit and loss ²	335,341	161,289	134,613	39,439	335,341
Other investments	678,388				
Investments for unit-linked and index-linked life insurance	9,061,073	9,061,073			9,061,073
Subordinated liabilities	1,458,839	0	1,515,965	21,732	1,537,697
Liabilities to financial institutions	1,201,031				1,201,031
thereof non-profit societies	1,040,498				1,040,498
Financing liabilities ³	1,476,569				1,476,569
thereof non-profit societies	1,417,446				1,417,446

¹ The market values are derived from internal and external expert reports.

² Including held for trading

³ Not including lease liabilities and derivative liabilities

Measurement process

The measurement process is described in Note 23 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2017 starting on page 204.

Reclassification of financial instruments

Reclassifications were performed based on the criteria and time points indicated in Note 23 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2017 starting on page 206.

Hierarchy for financial instruments measured at fair value

Measurement hierarchy	Level 1		Level 2		Level 3	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017	31.3.2018	31.12.2017
Financial instruments recognised at fair value						
in EUR '000						
Financial assets						
Financial instruments available for sale	20,126,826	20,259,701	2,637,675	2,696,134	258,932	264,468
Bonds	17,712,175	17,693,862	2,502,251	2,559,555	34,967	58,129
Shares and other participations	504,892	534,841	91,313	92,359	223,965	206,339
Investment funds	1,909,759	2,030,998	44,111	44,220	0	0
Financial instruments recognised at fair value through profit and loss*	186,782	161,289	114,173	134,613	40,751	39,439
Bonds	98,201	80,713	93,330	112,607	14,452	14,209
Shares and other non-fixed-interest securities	18,011	21,746	19,771	19,887	0	0
Investment funds	70,538	57,738	0	938	4,238	3,169
Derivatives	32	1,092	1,072	1,181	22,061	22,061
Investments for unit-linked and index-linked life insurance	8,948,665	9,061,073				

*Including held for trading

The unrealised effect on the result (net profit or loss) from Level 3 financial instruments that are still in the portfolio and whose fair value is recognised in the income statement was EUR -141,000 during the reporting period (EUR -9,842,000).

Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range
Real estate	Market value	Capitalisation rate	1.00%–7.00%
		Rental income	3,000 EUR–3,703,000 EUR
		Land prices	0 EUR–5,000 EUR
	Discounted Cash flow	Capitalisation rate	4.00%–9.75%
		Rental income	EUR 88,000–EUR 4,090,000

Sensitivities

With respect to the value of shares measured using a Level 3 method (multiples approach), the Group assumes that alter-native inputs and alternative methods do not lead to significant changes in value.

Due to a lack of available data, no sensitivity analysis information can be provided for the other securities whose fair value in Level 3 has been determined by independent third parties.

The following sensitivities result from calculations using the Solvency II partial internal model:

sensitivities – real estate	Fair value
<i>in EUR million</i>	
Fair value at 31.3.2018	2,454.92
Rental income -5%	2,367.12
Rental income +5%	2,545.62
Capitalisation rate -50bp	2,585.46
Capitalisation rate +50bp	2,344.35
Land prices -5%	2,427.16
Land prices +5%	2,484.81

Since real estate is measured at amortised cost in the VIG balance sheet, negative sensitivities would only affect the income statement if property value fell below book value. Other comprehensive income was therefore unaffected.

Carry-over of assets and liabilities/financial assets and liabilities

Development of financial instruments by level	Financial instruments available for sale					
	31.3.2018			31.12.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>in EUR '000</i>						
Fair value at 31.12. of the previous year	20,259,701	2,696,134	264,468	18,943,142	2,650,989	257,117
Exchange rate differences	-7,309	-141	119	27,737	6,480	589
Fair value at 1.1.	20,252,392	2,695,993	264,587	18,970,879	2,657,469	257,706
Reclassification between securities categories	1,157	0	0	-1,655	0	-9,021
Reclassification to Level	1,187	22,762	1,287	14,168	108,277	30,475
Reclassification from Level	-2,761	-287	-22,188	-115,421	-17,727	-19,772
Additions	906,234	22,663	18,737	3,813,979	332,764	40,884
Disposals	-815,725	-112,244	-4,573	-2,515,668	-404,569	-46,451
Change in the scope of consolidation	0	0	-35	46,066	16	208
Changes in value recognised in profit and loss	0	0	0	0	0	0
Changes recognised directly in equity	-214,830	8,918	1,278	51,827	21,833	12,493
Impairments	-828	-130	-161	-4,474	-1,929	-2,054
Fair value at 31.3. or 31.12.	20,126,826	2,637,675	258,932	20,259,701	2,696,134	264,468

Development of financial instruments by level
Financial instruments recognised at fair value through profit and loss*

	31.3.2018			31.12.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>in EUR '000</i>						
Fair value at 31.12. of the previous year	161,289	134,613	39,439	256,865	144,416	60,009
Exchange rate differences	-791	-89	19	2,001	3,236	332
Fair value at 1.1.	160,498	134,524	39,458	258,866	147,652	60,341
Reclassification between securities categories	-2,884	0	145	-1,988	0	0
Reclassification to Level	0	0	938	1,749	129	1,846
Reclassification from Level	0	-938	0	-1,846	-1,749	-129
Additions	75,840	2,551	682	140,490	31,087	2,801
Disposals	-43,793	-22,066	-390	-239,726	-47,418	-14,078
Changes in value recognised in profit and loss	-2,879	102	-82	3,744	4,912	-11,342
Changes recognised directly in equity	0	0	0	0	0	0
Fair value at 31.3. or 31.12.	186,782	114,173	40,751	161,289	134,613	39,439

*Including held for trading

Please refer to Note 10. Financial result excluding at equity consolidated companies starting on page 32 for information on the effects of changes in value recognised in profit and loss.

Development of financial instruments assigned to Level 3
Subordinated liabilities

	31.3.2018	31.12.2017
	<i>in EUR '000</i>	
Fair value at 31.12. of the previous year	21,732	20,807
Exchange rate differences	94	1,202
Fair value at 1.1.	21,826	22,009
Reclassification to Level 3	0	0
Reclassification from Level 3	0	0
Changes in value recognised in profit and loss	12	-277
Changes recognised directly in equity	0	0
Fair value at 31.3. or 31.12.	21,838	21,732

16. NUMBER OF EMPLOYEES

Employee statistics	31.3.2018	31.12.2017
Number		
Austria	5,120	5,141
Field staff	2,817	2,806
Office staff	2,303	2,335
Czech Republic	5,007	4,895
Field staff	3,169	3,071
Office staff	1,838	1,824
Slovakia	1,719	1,752
Field staff	870	887
Office staff	849	865
Poland	1,761	1,576
Field staff	743	763
Office staff	1,018	813
Romania	1,946	1,954
Field staff	1,169	1,163
Office staff	777	791
Baltic states	1,206	1,285
Field staff	589	629
Office staff	617	656
Hungary	461	468
Field staff	37	35
Office staff	424	433
Bulgaria	878	867
Field staff	286	289
Office staff	592	578
Turkey/Georgia	1,142	1,081
Field staff	699	659
Office staff	443	422
Remaining CEE	4,735	4,741
Field staff	3,268	3,300
Office staff	1,467	1,441
Other Markets	132	130
Field staff	7	7
Office staff	125	123
Central Functions	1,193	1,169
Office staff	1,193	1,169
Total	25,300	25,059
thereof field staff	13,654	13,609
thereof office staff	11,646	11,450

The specified employee figures are average values based on full-time equivalents.

The Central Functions segment includes 683 employees (31 December 2017: 682) in the non-profit societies.

17. RELATED PARTIES

Related parties

Related parties are the affiliated companies, joint ventures and associated companies listed in Note 27 “Participations – Details” in the Annual Report published at the end of the year starting on page 214. In addition, the members of the Managing Board and Supervisory Board of VIG Holding and their families also qualify as related parties. Due to the control it has over VIG, Wiener Städtische Versicherungsverein and its Managing Board members are also related parties.

Members of the Managing Board and Supervisory Board did not receive any advances or loans and had no loans outstanding during the reporting periods.

There were also no guarantees outstanding for members of the Managing Board or Supervisory Board during the reporting periods.

Transactions with related parties

The Group charges Wiener Städtische Versicherungsverein for office space. Other services (e.g. accounting services) are also provided by the Group.

Transactions with non-consolidated affiliated and associated companies mainly relate to financing and intra-company charges for services.

Open items with related companies	31.3.2018	31.12.2017
in EUR '000		
Loans	71,784	65,410
Associated companies	1,549	1,631
Subsidiaries not included in the consolidated financial statements	70,235	63,779
Receivables	273,785	251,423
Parent company	230,167	218,641
Associated companies	3,482	3,509
Subsidiaries not included in the consolidated financial statements	40,136	29,273
Liabilities	193,827	184,164
Parent company	173,823	164,126
Associated companies	2,964	2,148
Subsidiaries not included in the consolidated financial statements	17,040	17,890

Transaction volumes with related companies	31.3.2018	31.12.2017
in EUR '000		
Loans	7,717	13,260
Associated companies	170	796
Subsidiaries not included in the consolidated financial statements	7,547	12,464
Receivables	35,769	75,108
Parent company	11,644	30,426
Associated companies	362	10,529
Subsidiaries not included in the consolidated financial statements	23,763	34,153
Liabilities	49,556	160,068
Parent company	15,619	47,659
Associated companies	11,426	36,867
Subsidiaries not included in the consolidated financial statements	22,511	75,542

The transactions do not include changes in open items resulting from a change in the scope of consolidation.

Open items with related persons	31.3.2018	31.12.2017
in EUR '000		
Loans	12	12
Liabilities	381	1,484

Transaction volumes with related parties	31.3.2018	31.12.2017
in EUR '000		
Loans	0	15
Receivables	11	190
Liabilities	1,216	2,224

Income statement items for related parties	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Payments to Supervisory Board members	390	429
Insurance premiums received	216	64
Other payments (incl. dividends paid)	265	245

18. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Sale of the interest in S IMMO AG

The Austrian subsidiary s Versicherung announced on 9 April 2018 that it was selling its interest of around 10.22% in S IMMO AG. The portfolio of subsidiaries was reoriented due to the upcoming merger between Wiener Städtische and s Versicherung. The attractive stock market environment existing at this point in time was used to sell an interest of around 7.28% to a subsidiary of SIGNA Holding and the remainder to an international institutional investor.

Additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG)

GROUP EXPENSES FOR PROFIT-RELATED PREMIUM REFUNDS

The Group had EUR 11,872,000 in expenses for profit-related premium refunds incl. policy holder profit participation (EUR 47,159,000).

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

	1.1.-31.3.2018				1.1.-31.3.2017			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in EUR '000								
Operating result for direct business	100,563	53,470	9,691	163,724	97,913	87,045	10,895	195,853
Gross direct premiums written	1,701,029	917,508	133,199	2,751,736	1,581,577	965,463	119,848	2,666,888
Gross direct¹	153,124	57,247	9,696	220,067	149,120	136,468	10,948	296,536
Underwriting result ²	131,304			131,304	116,436			116,436
Financial result ²	21,820			21,820	32,684			32,684
Direct reinsurance cessions	-52,561	-3,777	-5	-56,343	-51,207	-49,423	-53	-100,683
Operating result for indirect business	-33,871	1,504	21	-32,346	-30,235	891	20	-29,324
Gross indirect premiums written	68,944	5,370	25	74,339	47,901	4,757	25	52,683
Gross indirect	-2,480	1,626	21	-833	-21,622	1,531	20	-20,071
Indirect reinsurance cessions	-31,391	-122	0	-31,513	-8,613	-640	0	-9,253
Operating result for direct and indirect retention	66,692	54,974	9,712	131,378	67,678	87,936	10,915	166,529
Other non-underwriting income and expenses	-1,828	-291	-48	-2,167	-8,427	-1,357	34	-9,750
Expenses for profit related premium refunds	0	-11,872	0	-11,872	0	-47,159	0	-47,159
Result before taxes	64,864	42,811	9,664	117,339	59,251	39,420	10,949	109,620
Taxes	-13,311	-11,041	-1,992	-26,344	-13,988	-6,091	-1,927	-22,006
Result of the period	51,553	31,770	7,672	90,995	45,263	33,329	9,022	87,614

¹ Includes commissions of EUR 345,326,000 (EUR 319,290,000) for direct insurance business

² A breakdown of the underwriting result was only performed for property and casualty insurance. Due to immateriality, investments were not transferred to the underwriting account in property and casualty insurance. Investment results were transferred in full to the underwriting account for the life insurance and health business.

GROSS PREMIUMS – WRITTEN BY BALANCE SHEET UNIT (INCL. CONSOLIDATION EFFECTS)

Property and Casualty insurance	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Direct business	1,701,029	1,581,577
Casualty insurance	105,502	101,338
Health insurance	18,378	17,044
Motor own damage insurance (Casco)	310,950	284,373
Rail vehicle own-damage	719	673
Aircraft own-damage insurance	2,194	3,122
Sea, lake and river shipping own-damage insurance	2,666	2,637
Transport insurance	18,413	17,559
Fire and natural hazards insurance	372,307	358,085
Other property	157,806	147,227
Third party liability insurance for self-propelled land vehicles	410,020	368,522
Carrier insurance	5,409	5,010
Aircraft liability insurance	2,416	2,467
Sea, lake and river shipping liability insurance	746	771
General liability insurance	189,063	174,491
Credit insurance	1,649	912
Guarantee insurance	10,492	9,005
Insurance for miscellaneous financial losses	55,576	54,860
Legal expenses insurance	16,808	16,578
Assistance insurance, travel health insurance	19,915	16,903
Indirect business	68,944	47,901
Marine, aviation and transport insurance	3,291	2,957
Other insurance	59,670	39,883
Health insurance	5,983	5,061
Total	1,769,973	1,629,478
Life insurance	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Regular premium – direct business	685,494	668,101
Single-premium – direct business	232,014	297,362
Direct business	917,508	965,463
thereof policies with profit participation	399,102	436,813
thereof policies without profit participation	112,792	112,466
thereof unit-linked life insurance portfolio	397,797	407,856
thereof index-linked life insurance portfolio	7,817	8,328
Indirect business	5,370	4,757
Total	922,878	970,220
Health insurance	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Direct business	133,199	119,848
Indirect business	25	25
Total	133,224	119,873

GROSS PREMIUMS – WRITTEN BY COUNTRY AND BALANCE SHEET UNIT

Composition	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Property and Casualty insurance	1,769,973	1,629,478
Austria	720,962	696,133
Czech Republic	295,624	270,771
Slovakia	112,167	109,062
Poland	164,620	122,386
Romania	117,508	99,098
Turkey	50,188	51,150
Central Functions	69,829	59,915
Other countries	239,075	220,963
Life insurance	922,878	970,220
Austria	415,625	457,756
Czech Republic	169,578	156,695
Slovakia	102,981	99,757
Poland	68,163	90,957
Hungary	32,480	31,239
Other countries	134,051	133,816
Health insurance	133,224	119,873
Austria	107,304	103,359
Georgia	10,825	11,549
Other countries	15,095	4,965
Total	2,826,075	2,719,571

OPERATING RESULT FOR DIRECT AND INDIRECT RETENTION BY COUNTRY AND BALANCE SHEET UNIT

	1.1.-31.3.2018	1.1.-31.3.2017
in EUR '000		
Property and Casualty insurance	66,692	67,678
Austria	43,153	28,936
Czech Republic	38,357	33,683
Slovakia	-4,736	9,515
Poland	8,879	7,604
Romania	7,024	6,320
Turkey	2,422	3,601
Central Functions	-44,654	-41,062
Other countries	16,247	19,081
Life insurance	54,974	87,936
Austria	15,268	43,270
Czech Republic	20,358	27,302
Slovakia	5,599	5,558
Poland	5,712	1,709
Hungary	991	1,176
Other countries	7,046	8,921
Health insurance	9,712	10,915
Austria	10,154	11,121
Georgia	-96	-61
Other countries	-346	-145
Total	131,378	166,529

KEY FIGURES BY BALANCE SHEET UNIT

	1.1.-31.3.2018				1.1.-31.3.2017			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in %								
Cost ratio	32.96	19.50	14.59	26.52	31.91	18.30	14.00	25.07
Claims ratio	63.28				64.92			
Combined Ratio	96.24				96.85			

Declaration by the Managing Board

We declare to the best of our knowledge that the consolidated interim financial statements prepared in accordance with applicable accounting standards give a true and fair view of the Group's net assets, financial position and results of operations, the interim management report gives a true and fair view of the net assets, financial position and results of operations of the Group with regard to the most important events during the first three months of the financial year and their impact on the consolidated interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and material related party transactions to be disclosed. The interim report was not fully audited or reviewed by an auditor.

Vienna, 8 May 2018

The Managing Board:



Elisabeth Stadler
General Manager,
Chair of the Managing Board



Franz Fuchs
Member of the Managing Board



Judit Havasi
Member of the Managing Board



Liane Hirner
Member of the Managing Board



Peter Höfner
Member of the Managing Board



Martin Simhandl
CFO, Member of the Managing Board

Managing Board areas of responsibility:

Elisabeth Stadler: Management of the VIG Group, Strategic Questions, European Affairs, Group Communication & Marketing, Group Sponsoring, Human Resources, Group Development and Strategy; Country responsibilities: Austria, Czech Republic

Franz Fuchs: Performance management personal and motor vehicle insurance, Asset-Risk Management; Country responsibilities: Baltic states, Moldova, Poland, Ukraine

Judit Havasi: Planning & Controlling, Legal department, Group IT, Data Management & Processes; Country responsibilities: Slovakia, Romania

Liane Hirner: Finance and accounting

Peter Höfner: Corporate and large customer business, Vienna International Underwriters (VIU), Reinsurance; Country responsibilities: Albania (incl. Kosovo), Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Serbia

Martin Simhandl: Asset Management, Affiliated companies department, Treasury/Capital Market; Country responsibilities: Germany, Georgia, Liechtenstein, Turkey

The **Managing Board as a whole** is responsible for Enterprise Risk Management, General Secretariat, Actuarial department, Group compliance, Internal Audit and Investor Relations.

General information

NOTICE

This report includes forward-looking statements based on current assumptions and estimates that were made by the management of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe to the best of its knowledge. Statements using the words “expectation”, “target” or similar formulations indicate such forward-looking statements. Forecasts related to the future development of the Company are estimates made on the basis of information available as of the date this interim report went to press. Actual results may differ from the forecasts if the assumptions underlying the forecast prove to be wrong or if unexpectedly high risks occur.

Calculation differences may arise when rounded amounts and percentages are summed automatically.

The interim report was prepared with the greatest possible care in order to ensure that the information provided in all parts is correct and complete. The possibility of rounding, type-setting or printing errors, however, cannot be ruled out completely.

All references in the text are to be understood as referring equally to men and women without discrimination.

The interim report can be downloaded as a PDF file in German or English from our website at:
www.vig.com/en/downloads

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In case of doubt, the German version is authoritative.

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